Daily Report

Latin America

FBIS-LAT-93-181
Tuesday
21 September 1993

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FBIS-LAT-93-181 *21 September 1993*

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Rio Group Ministerial Meeting Begins

PY1809145093 Madrid EFE in Spanish 2136 GMT 16 Oct 93

[Text] Montevideo, 16 Sep (EFE)—Brazilian Antonio Antunes, secretary general of the Latin American Integration Association (ALADI), today, Thursday, said it would be difficult to reach an agreement in the "Uruguay round" of GATT talks "because disagreements reflect existing interests rather than capricious positions. It will be difficult to reach an agreement in the three months that are left before the end of the round of talks, but all efforts should be made to reach a point of balance," he added.

Starting today, the ministers of foreign affairs and economy of Rio Group countries are meeting at the ALADI headquarters. The ministers will try to adopt a common position that will be outlined tomorrow to Irishman Peter Sutherland, the GATT president.

"At the current stage of negotiations, Latin American countries should have a united and firm position, because they have already made all possible concessions to industrialized countries," Antunes said. He explained that "the noticeable increase in imports that our countries buy from industrialized countries has allowed rich countries to bring their balance of trade to equilibrium and to increase their number of jobs. There has been no reciprocity, however, and our exports, especially of minerals and agricultural products, are confronting serious difficulties in the face of the subsidies adopted by industrialized countries," Antunes said during a news conference.

In his opinion "it is clear that the protectionist attitudes of several powerful countries, rather than being capricious, are motivated by real interests. The time has come for Latin America, however, to adopt a firm position and strive to draw the line."

The "Uruguay" round of the GATT talks was christened after this country because it began in 1988 in the Uruguayan resort of Punta del Este. Despite the fact that it was to end two years ago, the disagreements, especially between the countries that subsidize their farm exports, and those that oppose such practices, have threatened to cause the negotiations to fail. "It would be disastrous for negotiations to end without an agreement and with a commercial war, which would undoubtedly harm smaller countries, but the bigger countries as well," Antunes said. "If world commercial markets are not opened, Latin America will have to revise its current criteria, which have recently permitted a remarkable increase of imports," he added.

The meeting in Montevideo, which will end tomorrow, Friday, will be attended by ministers and other high-ranking officials from Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela, who are members of the Rio Group and of ALADI. El Salvador will represent Central America, and Jamaica will represent the Caribbean.

Declaration of Montevideo Issued

PY1809155093 Madrid EFE in Spanish 0044 GMT 18 Sep 93

[Text] Montevideo, 17 Sep (EFE)—Today, the Rio Group expressed its firm determination against concluding the Uruguay round of GATT talks "at any price," voicing its concern about the "bilateralization" of negotiations, which will cause the failure of seven years of efforts for the liberalization of world commerce.

In a 10-point statement, the foreign ministers and economy ministers of Rio Group countries, who today ended their deliberations in Montevideo, with the presence of GATT Director General Peter Sutherland, expressed their will to reject the solutions that might harm the interest of Latin American producers.

The Rio Group is made up of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela, in addition to El Salvador, which represented Central America, and Jamaica, which represented the Caribbean.

The "Declaration of Montevideo" reflects Ibero-America's concern about bilateral negotiations between the United States and the EC, and about the negotiations between the EC and Australia and New Zealand, the most-developed agricultural countries.

Those negotiations, in the opinion of the Latin American ministers, "have sidelined the region's interest, violating the agreement to hold negotiations with broad participation and transparency."

For the Rio Group, it is essential to once again set in motion the multilateral negotiation process "because it is a precondition for recovering the time that was wasted and for making progress" in the most disputed areas.

The declaration, which summarizes the concerns, adds that the countries with more commercial influence "have benefited" from the opening of Latin American markets. The declaration adds: "However, the region has received no reciprocity. On the contrary, its situation has been aggravated by the violation of commitments on the status quo, the adoption of new protectionist measures, and the failure to comply with the recommendations of the special GATT groups."

The ministers believe that "in order to bring the Uruguay Round to a balanced conclusion, it is necessary to obtain a satisfactory result in the area of access to foreign markets. We are concerned about the fact that the situation in key sectors for our economies continues to be unsatisfactory. This is the case in agriculture, textiles, tropical products, and by-products from the tapping of natural resources."

The Rio Group voices its protest about "zero-per-zero proposals, which may be beneficial for industrial countries but fail to meet the region's needs." The ministers stress that agriculture is fundamental to Latin American interests.

They termed the "Blair House" agreement between the United States and the EC "a weakening of the Uruguay Round Final Act, which goes against the agricultural opening that our countries expect." They sounded a note of warning about "the attempts at market opening included in the draft Final Act, which may seriously disrupt the delicate balance achieved so far and lead to the failure of the Uruguay Round."

The declaration concludes: "It is of paramount importance that in the future leading industrial countries make the necessary political decisions to bring negotiations to a successful conclusion with the result that, while taking into account countries' different interests in a balanced way, world trade may be expanded, discrimination avoided, and the multilateral trade system strengthened."

Cuba

Self-Employment Registration Process Begins

FL2009205993 Havana Radio Rebelde Network in Spanish 1700 GMT 20 Sep 93

[Text] Citizens residing in the country's capital, who are interested in registering, began legal formalities in offices established for that purpose at the various people's councils. The idea of the self-employed worker is based on incorporating people with honorable social behavior into these activities. Criminals, speculators, and embezzlers will not have access to these activities.

In accordance with this principle, requesters must first present a certification with information from their work center, in which their discipline is recorded. Before being approved by the labor directive of the municipality, the registrations will be submitted for consideration by the people's council since it is there where the person and the needs of the locality are known.

Dominican Press Blames Exiles for Embassy Incident

FL2009212993 Havana Radio Rebelde Network in Spanish 1700 GMT 20 Sep 93

[Text] The Santo Domingo press accuses the Miami Cuban exiles of instigating the occupation of the Mexican Embassy in that country. The LISTIN DIARIO newspaper points out, in its Sunday editorial, that the situation created by the refugees, who are in the Mexican diplomatic representation in Santo Domingo, should be solved by the Cuban exiles in Florida, since they instigated the action. The newspaper, one of the most influential of that country, warns that occupation is unacceptable and will have negative effects for those who carried it out. The editorial goes on to say that those 72 emigrates have created an embarrassing situation for Mexico and the Dominican Republic, and that they ignored diplomatic rights.

The group, that entered the Mexican embassy, arrived in Grand Cayman in February, after leaving Cuba illegally. In March they were taken to Santo Domingo after receiving promises from exiles in Miami that they would get visas for them to enter the United States in two months, which, to date, has not been materialized.

The Mexican ambassador to the Dominican Republic declared that the refugees want to go to United States and not Mexico, therefore the corresponding visas cannot be granted by their representation.

The EL NACIONAL newspaper comments that the group was manipulated from abroad, even though no one wants to admit it, which has created a serious problem that could be very costly for the Caribbean country. One of the Cubans, who remains in the diplomatic representation, named David Pupo, said that as each day passes their situation worsens and now left to their own devises they cannot reach Miami.

Cubans Will Not Receive Visas

PA2009153793 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 20 Sep 93

[Report by Francisco Rubio from the "Good Morning From Mexico" newscast]

[Text] Fernando Benitez, Mexican ambassador to the Dominican Republic, has reiterated to the group of Cubans who entered the Embassy on 16 September that the Mexican Government will not grant visas to any of them. By way of a communique issued yesterday in Santo Domingo, the Foreign Secretariat reaffirmed our country will not intercede in consular matters before third-party nations. It explained the security of the embassy is in the hands of the Dominican Republic. In a telephone interview, Mexican Embassy spokesman Jesus Contreras indicated the presence of the 72 Cubans is illegal.

[Begin Contreras recording] What these people occupying the embassy have done is illegal and that is just for starters. The Mexican Government is not negotiating with them whatsoever because there is nothing to negotiate. The Mexican Government's position is very clear. It cannot and will not intercede. The Mexican Government cannot perform consular work for third countries. [end recording]

Jesus Contreras also indicated that the Mexican Embassy in this Caribbean nation has not contemplated asking the local security forces to remove the Cubans.

[Begin Contreras recording] Everything pertaining to the embassy's security is the responsibility of the Dominican state. So far, the police have not been asked to intervene and we have not contemplated doing this. [end recording]

The 72 Cubans said on Sunday that they will not leave the embassy until they receive visas to enter the United States.

Brazilian Ambassador Refuses Asylum to Four

PY2009223393 Sao Paulo VEJA in Portuguese 15 Sep 93 pp 30, 31

[Excerpt] Just when Brazilian Ambassador to Cuba Jose Nogueira was about to leave his official residence to go to the embassy at 0900 local time on 10 September, four Cubans entered his home and asked for political asylum. It is not uncommon that in a country such as Cuba, a communist dictatorship that has managed by fits and starts to survive since the Soviet Union, its number one benefactor, crumbled, there should be requests for asylum. The novel thing is that this is the first request ever made to the Brazilian ambassador on Cuban territory since both countries reestablished diplomatic relations in 1986. Had the four Cubans known the history of Brazilian diplomatic representations concerning this issue, they could have saved themselves the trouble of going to the ambassador's official residence. When

socialist Salvador Allende was ousted from office in Chile by a military coup exactly 20 years ago, the Brazilian Embassy in Santiago did not open its doors, not even for Brazilians who were persecuted at that time.

According to Itamaraty's spokesman, Luis Fernando Benedini, after speaking with the Cubans for half an hour, Ambassador Nogueira was convinced that their case did not meet the requirements demanded for granting asylum (the most important ones being persecution, life at risk, and deprivation of freedom). He then asked the Cubans to leave the official embassy just as they came, namely empty-handed. A respected tradition established in Latin America is that an ambassador is not obliged to grant political asylum. A former diplomat, who is thoroughly acquainted with the Cuban crisis and acknowledges that requests for asylum are one of the thorniest problems for a foreign mission's routine tasks, stated: "It is a sovereign act by the ambassador." Notwithstanding this, Nogueira may have been too hasty in his decision. Professor Irineu Strenger, who holds the chair of international law at Sao Paulo University, said: "It is odd that he did not let the Cubans stay at the embassy so as to assess the asylum request." [passage omitted]

Vietnam Signs Medical, Sugar-Plant Contracts

FL2009203293 Havana Radio Rebelde Network in Spanish 1700 GMT 20 Sep 93

[Text] Economic delegations from Cuba and Vietnam have signed a memorandum at the conclusion of a 13-day work meeting in Hanoi. The document states that Vietnam will purchase medical equipment of high technology from Cuba and will soon negotiate the purchase of 50,000 doses of the Cuban vaccine against Hepatitis B. Authorities from the two countries agreed on the joint construction of a sugar factory, which is scheduled to begin in January, while they negotiate the contracting of two more installations of that kind.

Economic Activity Roundup 11 Sep to 17 Sep

FL2009133493

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 11 and 17 September.

Tele Rebelde and Cuba Vision at 0000 GMT on 11 September report that two Cuban ships participated in towing the oil drilling platform Ocean Digger from Brazil to Colombia. Captain Guillermo Aragon said the operation brought in $400,000 and lent additional professional prestige to the Caribe navigation enterprise.

Radio Rebelde at 0900 GMT on 13 September reports that Cubanacan president Abraham Maciques has announced that two important Canadian hotel chains, Delta International and Commonwealth Hospitality, are going to begin tourism operations in Cuba in November. Delta will run the Sierra Mar and Los Balcones Hotels in Santiago de Cuba as well as the Estereo in Holguin. Commonwealth will take care of Los Farallones del Caribe and Marea del Portillo in Granma Province.

Radio Rebelde at 0900 GMT on 14 September reports that Sancti Spiritus Province's agricultural enterprises have produced approximately 85 tons of biosoil, "also known as compost," which is an organic fertilizer replacing imported chemicals.

Radio Progreso at 1100 GMT on 14 September reports that the Jose Marti Thermoelectric Plant in Matanzas has been using Cuban crude oil since 1986 and, by avoiding the use of imported oil, has saved the national economy $21 million. Over the past seven years, the plant used 410,441 tons of Cuban crude. Because of the high amount of corrosive substances in Cuban oil, maintenance had to be performed more frequently and more meticulously. Thanks to the dedication of the workers, maintenance is getting better and faster.

Radio Reloj at 1937 GMT on 16 September reports that the Maria Diaz (Versun) Elementary School in Centro Habana has received, through its sponsors, the Central Organization of Cuban Trade Unions, a donation of 1,200 notebooks, 416 pencils, and other school supplies from a Curacao teachers union.

Radio Reloj at 1953 GMT on 17 September reports that five factories of the Lazaro Pena Tobacco Enterprise produced more than 2.8 million "torcido" cigars for export up until August. More than 3.8 million cigars of different types were produced for domestic consumption.

Haiti

'Dozens' Demonstrate Against Government 20 Sep

FL2009205493 Port-au-Prince Radio Tropic FM in French 2000 GMT 20 Sep 93

[Text] For seven years, the power has been in the streets. We are going to get it back. Chanting this and similar slogans, dozens of people demonstrated at noon today in Port-au-Prince.

The demonstrators, who crossed Harry Truman Boulevard, expressed their hostility against the Malval government and the international community. The short demonstration began at Port-au-Prince City Hall and ended at the Legislative Palace.

Information Minister on Violence

FL2009152093 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Sep 93

[Excerpts] Information Minister Herve Denis has denounced armed groups' actions aimed at blocking the democratic process intended to facilitate the return of the constitutional president to Haiti. The climate of violence that prevails in the country is a serious and very

perilous matter for everyone, according to statements made by Minister Herve Denis at the microphone of Isabelle Poirdou of Radio France International. Minister Denis is relying on the serenity of the Haitian people and the support of the international community to achieve its end:

[Begin recording] [Denis] It is a very serious and very perilous matter for everyone. When they invade the Ministry of Economy and Finances, it is to warn everyone that their intention is to block the government and to destroy the state. You see to what kind of adventures this can lead us.

[Poirdou] They say those opponents were determined. The assessment of [words indistinct] reported 12 deaths. Is it a real threat to the process of restoring democracy next 30 October, or do you think you can end the rebellion of this opposition?

[Denis] Obviously, we think we can reach the end of those movements, of those intrigues by groups of armed civilians supported by [words indistinct]. Of course, we are relying primarily on the support of the population for that. The population remains calm. They show their maturity, their capacity for waiting. They know they and their government do not have the means to face all those intrigues in the streets. Then, of course, we also rely on the support of our fight by the international community, by our foreign friends. This is very important. [end recording]

The information minister explained that support by international friends does not involve action to help the Malval government get rid of the provocative elements. The government simply asks the international community to exert pressure. [passage omitted]

It should be recalled that on 17 September the UN Security Council asked the Haitian security forces to put an end to the wave of violence prevailing in the country, warning that otherwise sanctions would be imposed again against the authorities in charge of enforcing public order in Haiti.

FRAP Warns of Demonstrations

FL2009215593 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Sep 93

[Text] Wednesday, 22 September, will be a national day of peace, according to the Revolutionary Front for Haiti's Progress [FRAP]. This people's organization, hostile to the presence of international mediator Dante Caputo in Haiti, said on 16 September that doves would be released on that day. FRAP intends to show through this deed that it is working for peace within Haitian society.

During a news conference on 16 September, FRAP denounced the Malval government's small concord, demanding a true concord that gathers lavalas partisans and duvalierists into a huge consensus. Twenty-four hours after the news conference, the front demonstrated in front of the Ministry of Foreign Affairs to demand the departure of Dante Caputo.

As of today, the deadline for Caputo's departure has expired. FRAP has announced that it will hold demonstrations, gathering people from the streets of Port-au-Prince to say no to foreign interference.

Legislators Convene Extraordinary Session 20 Sep

FL2009151993 Port-au-Prince Radio Metropole in French 1045 GMT 20 Sep 93

[Text] Haitian legislators are convened once more to an extraordinary session. The Senate and Chamber of Deputies Offices have asked senators and deputies to come to the parliament [today] for the official opening of the session that will be dedicated to the vote on laws for the creation of the police corps, the separation of the police from the Army, and the 1993-94 budget.

Rescheduled for 21 Sep

FL2009223593 Port-au-Prince Signal FM Radio in French 1030 GMT 20 Sep 93

[Text] The National Assembly has been reconvened for an extraordinary session on 21 September at 1500 GMT, according to a press release signed by Senator Firmin Jean-Louis. The purpose of this session is to examine and vote on bills provided for by the Governors Island Agreement.

Despite President Aristide's request, the extraordinary session scheduled for 15 September was postponed due to a lack of a quorum. The parliamentarians were to study the bills submitted by Justice Minister Guy Malary. These bills focus on the creation of a new police force and on a budget for the Republic.

Some parliamentarians had denounced this as a violation of the 3 July agreement, protesting that the amnesty issue should be tackled before the law on the creation of a new police force. Other legislators believe the argument brandished by the opposition parliamentarians is a negligible detail serving as a pretext for those who are seeking to block the ongoing process by any means.

Court President's Retirement Case Set for 21 Sep

FL2009223293 Port-au-Prince Radio Metropole in French 1045 GMT 20 Sep 93

[Excerpt] The case of the president of the Court of Cassation, who was pensioned off by the Minister of Justice, will be heard before the courts today. The doyen of the Port-au-Prince Civil Court confirmed that the case will be heard on 21 September. It is a complex political-judicial challenge for attorney Henock Voltaire. [passage omitted]

Costa Rica

Court Refuses To Extradite Convicted Drug Offender

PA2009163493 Paris AFP in Spanish 1517 GMT 20 Sep 93

[Text] San Jose, 20 Sep (AFP)—Judicial sources confirmed on Monday that a Costa Rican court has rejected an extradition request to turn over Paul Maurice Boyon, a U.S. citizen wanted by the U.S. Government to serve 10 years in jail for conspiring to distribute drugs.

A court in San Jose Province decided to deny the request to extradite Doyon. The court then released Doyon, arguing that the crime of conspiracy is not included in Costa Rican legislation.

Doyon, who was arraigned in April 1991 by a Miami court, must serve 10 years in jail after being convicted in January 1992, when it was proven he tried to negotiate the sale of 5 kg of cocaine in Florida to an undercover agent of the U.S. Drug Enforcement Agency.

After the verdict was announced, the Miami court ordered the arrest and extradition of Doyon in Costa Rica, where he fled allegedly to escape U.S. authorities.

El Salvador

Defense Minister on 'Apolitical' Nature of Army

PA2009204793 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Sep 93

[Text] Defense Minister General Humberto Corado said on 16 September that deficiencies in the Salvadoran judicial system are preventing public security forces from conducting an efficient struggle against juvenile delinquents. According to the defense minister, current laws prevent public security forces from obtaining the desired results. As for the problem of gangs of young hoodlums, Corado said he is dissatisfied with certain legal norms that do not contribute to the efforts of the National Police to control them.

[Begin Corado recording] Our laws do not specify what type of legal punishment is to be used on these criminals. They really are potential criminals. Even though it is true that their presence may contribute to public disorder, sometimes they do not commit any crime. [end recording]

The defense minister said laws should be rigid regarding adolescent repeat offenders.

Corado made these statements after presiding over ceremonies commemorating Salvadoran independence. He repeated that the Armed Forces are apolitical and added that the military is not supporting a particular party, as some political circles have been saying.

[Begin recording] [Corado] The position of the Armed Forces is totally apolitical. We are going to remain at a distance from the electoral process. We have no political banners. Our banner is the Salvadoran flag.

[Unidentified reporter] The PCN [National Conciliation Party] says the Armed Forces [words indistinct]?

[Corado] That is their opinion. We as an institution and I as the person directly responsible for guiding the armed institution under the command of the president of the Republic must say that the philosophy of the Armed Forces is to observe and comply with the constitution. [end recording]

The top military officer, however, said that any former member of the Armed Forces can personally run for office or support any political party.

Nicaragua

Minister Says EPS Moving Against Rearmed Groups

PA2109055493 Managua BARRICADA in Spanish 20 Sep 93 pp 1, 4

[Report by Freddy Potoy]

[Text] Yesterday, Government Minister Alfredo Mendieta warned that the deadline for the rebel groups has expired and those who do not join the disarmament process or have not accepted the amnesty will be the target of military operations by Sandinist People's Army [EPS] troops "this week everywhere in the country. We have already deployed EPS troops and are reinforcing the police units" for this purpose, Mendieta said at the close of a meeting of police chiefs from Central America and Panama.

Without going into further detail, Mendieta said troops will conduct military operations in all sectors where armed groups are outside the security zones, although "we are leaving the possibility of disarmament open to those groups that wish to do so peacefully. We hope they will do so before engaging in combat with the EPS."

Minister Mendieta added that so far 690 rearmed men have accepted the amnesty law and are surrendering their weapons. "We believe there are approximately 1,000 more who may be in the security zones but who have not turned over their weapons. We hope this process will continue and that we may have their weapons by this week" he said.

He stressed that the government is obligated to guarantee and preserve peace and the coming harvest. He said that he and President Violeta Barrios de Chamorro had met with producers, who asked that "they move against the rearmed bands."

He said the Government Ministry sent a document to the five organizations of the Farabundo Marti National

Liberation Front asking them to sign an agreement with the Nicaraguan Government and guarantee that there will not be any more weapons caches in our country. According to Mendieta, "We have not yet obtained any firm commitment. We think there may be other weapons caches."

Mendieta said the FMLN does not want to assume a political commitment that would compromise them if other weapons caches appear. "We hope they will consider their position and will clearly state if they have any more weapons caches in Nicaragua." He explained that "the FMLN has not officially confirmed the existence of six caches in Managua, but the government is continuously searching for them and hopes to investigate charges to that effect."

Strike Paralyzes Managua, Violence Feared

PA2009193693 Managua Radio Corporacion in Spanish 1030 GMT 20 Sep 93

[From "The Awakening" newscast]

[Text] The country was paralyzed this morning. There were no taxis, buses, or trucks driving on the roads. On the evening of 19 September, the strikers said the only thing they would negotiate with the government is the payment of the license plate tax, which was reduced to 200 cordobas, in other words, a reduction of 100 cordobas. Meanwhile, the strikers reasserted their demand that the taxes on vehicle ownership must be repealed and that fuel prices must be reduced.

On the evening of 19 September and the morning of 20 September, protesters set fire to tires in different parts of Managua. There are dozens of taxies blocking the main intersections. They are calling on those who have not begun striking to join the protest. The strike began at 2200 on 19 September and, at this hour, first reports indicate it is being supported by all transportation workers.

Schools may cancel classes today. Service cooperatives also have joined the strike, which is being supported by private sectors offering transportation services. It is expected that citizens will join this protest gradually because, according to the national consensus, no one with a vehicle has the ability to pay the high taxes established by the government on the ownership of vehicles.

Tires are burning in the streets, blocking the passage of vehicles. Tires are burning from the Rafaela Herrera Highway to the north blocking the passage of vehicles. Also at the traffic light in Tenderit neighborhood, three blocks from here, stones have been placed in the street to prevent the passage of vehicles. Nevertheless, one can circumvent these obstacles and access Radio Corporacion, as I did this morning. It also was reported that barricades have been set up at the El Dorado traffic light, Metrocentro, and in other parts of the capital.

In general, when going out this morning, we noticed a complete absence of vehicles on the streets. After 2200 yesterday, public and private transportation vehicles began to disappear. This morning Managua looks like a ghost town.

[Later in its 1030 GMT "The Awakening" newscast on 20 September, Managua Radio Corporacion in Spanish broadcasts a two-minute report that adds: "Citizens who support the transportation workers strike have voiced concern after the appearance of Sandinist methods in connection with the protest. The burning of tires, the erection of barricades, and the removal of street bricks [adoquines], and the use of violence against those who do not support the strike are creating a situation that could turn into a rebellion at any minute."]

Several Injured in Clash

PA2009195893 Paris AFP in Spanish 1842 GMT 20 Sep 93

[Text] Managua, 20 Sep (AFP)—Two wounded by gunshot and several injured and arrested was the result here at noon today of a national transportation strike, staged to protest a recent increase in gasoline prices and in vehicle ownership taxes, the local media has reported.

In a clash with the police, several transportation workers were injured, including Albino Melendez, who was shot in the right leg, and Raymundo Navarrete, who was shot in the thorax, according to radio reports as yet unconfirmed by authorities. In another incident, the police fired several shots at a bus they were pursuing, forcing several strikers to jumped off the moving vehicle. Several were injured and a woman fractured her leg.

At several locations around the capital, which was partially paralyzed by the protest that started early today, riot police tried to remove strikers' roadblocks of bricks, tires, and other objects. Despite police mobilization throughout the city in dozens of trucks, roadblocks and tire burning seemed to increase.

The Government Ministry ordered the police to conduct "special patrols" to prevent the obstruction of free transit of vehicles throughout the national territory. A communique issued by the Ministry and released by the Information and Press Directorate of the Presidency indicated that "public force will be used if necessary."

In densely populated eastern Managua neighborhoods some citizens who support the protest took bricks out of the street to block traffic. As the day wore on, circulation of private vehicles and pedestrians decreased considerably while rural transporters supported the strike out of fear that their vehicles would be damaged on the streets.

The government decided to establish a commission comprised of delegates from the Ministries of Finance, Labor, Government, and Transportation and designate it to meet with strikers on the afternoon on Monday in an effort to restore calm.

Vehicle owners are demanding the elimination of a new ownership tax that ranges between $25-200, which should be paid with the registration tax when the owner goes to renew his registration and license plates. In certain cases, a person might have to pay up to $500, depending on the model and number of cylinders.

Security Increased

PA2109002193 Paris AFP in Spanish 2341 GMT 20 Sep 93

[Text] Managua, 20 Sep (AFP)—Nicaraguan authorities ordered that security be beefed up today in strategic points and buildings around the capital to forestall possible disturbances created by the indefinite transportation strike, official sources have reported.

Government Minister Alfredo Mendieta said during a news conference that "he ordered" increased security at President Violeta de Chamorro's private residence, at the presidential palace, and in the Legislative Assembly and the Nicaraguan Energy Institute (INE) to avert any violence.

Mendieta said "he has reliable reports" that actions "are being prepared" in the western city of Chinandega, but he did not give any specifics. It was unofficially learned that the strikers might start shooting into the air tonight "to heat up the protest." After ruling out the possibility that the protest could be called a "conspiracy," Mendieta said he has ordered the arrest of anyone "who disrupts order and endangers the people."

The transportation workers, some of whom were armed, according to reporters, staged partial strikes last week and began an indefinite transportation strike today to protest the increase in the price of gasoline and new taxes imposed on vehicle owners.

For his part, Finance Minister Emilio Pereira, during the same news conference, accused the Sandinist National Liberation Front (FSLN) of directly promoting the strike, which has resulted in the death of five persons and the arrest of several persons. Pereira said that "small groups have received clear orders from the FSLN to block streets and paralyze transportation," although he did not give any names.

Former President Daniel Ortega appealed to the people on Sunday to "close ranks and wage a popular battle in the streets, culminating with a national strike," so Violeta de Chamorro's administration "will change the course of its economic policy." According to the former president, this is the "first serious struggle we will have to wage against this government so it will change the economic policies that are destroying the Nicaraguan people." He did explain, however, that it is not an attempt to overthrow the authorities.

News Conference Details Strike

PA2109025893 Managua Radio Nicaragua Network in Spanish 2030 GMT 20 Sep 93

[News conference by Government Minister Alfredo Mendieta, Finance Minister Emilio Pereira, Labor Minister Francisco Rosales, and Deputy Transportation and Communications Minister Raul Leclair with unidentified reporters at the Government Ministry in Managua; broadcast in progress—live]

[Text] [Mendieta] ....regarding the strike being enforced by certain sectors of Managua's transportation system, we wish to inform you that there have been some incidents reported in various areas of the city. As a result of these incidents, two people were injured. The two injured are Juan Pabon and Rene Artola. These two men were injured during a skirmish; they were injured while the National Police was chasing a bus being used to distribute tires that were to be burned in various areas of Managua. During the police's first attempt to stop the bus, a policeman was attacked, and his AK rifle was taken from him. Police reinforcements were sent into the area to arrest these people. The bus took off and the small skirmish occurred. It was during this skirmish that the two people were injured. They were not seriously injured and have been taken to Manolo Morales Hospital.

We also have been working in various areas of the country. We had some problems on the northern highway, the southern highway, around the presidential palace, near Roberto Huembes Hospital, and on (El Plomo) Hill. A cleanup operation was conducted on the northern highway, especially in the area around La Subasta, (La Quince), (Los Celta), (Rubemia), (Las Tres Efes), and (Rudeca). We also cleaned up the area around Adan Hardware Store and the Civic Cente as well as an area in Altagracia and on the road to Masaya, where a small contingent was blocking traffic. At this moment we have some groups in Managua, but the strength of these groups has greatly diminished.

It is important that we mention, however, that the government has been willing to establish a permanent dialogue with the transportation groups in the hopes of finding solutions to the demands they are making. To answer questions on this, I am accompanied at this time by Finance Minister Emilio Pereira, Labor Minister Francisco Rosales, and Deputy Transportation and Construction Minister Raul Leclair. They will elaborate on issues that the government has discussed and of which we believe are very important that all of you be made aware of.

It is also important that I mention that these kinds of actions being executed by certain members of the transportation sector who, as the labor minister will explain, make up only 20 percent of the transportation sector, are hindering the work and violating the rights of other sectors. We believe that the rights of our children have been violated. The strike, which these groups tried to

impose with violence this morning, affects the children's rights to go to school. Also affected are the various business sectors as well as the country.

We also believe that it is important that we mention that the call to strike, being made by a group of people on behalf of the Sandinist National Liberation Front [FSLN] and the FSLN National Directorate—we have learned that FSLN Secretary General Daniel Ortega was the only one who attended the meeting [not further specified]—is aimed at creating violent actions against public order. We also wish to take advantage of this opportunity to point out that the actions being encouraged by certain people who claim to speak on behalf of the Community Movement [Movimiento Comunal] are not being supported by the leaders of the movement.

Some of the leaders have already said that they are not promoting violence. The government would like to state that it is quite aware that, according to the laws of the country, everyone has the right to strike but not to execute actions that affect the security and stability of the country. We wish to clearly state that all those sectors, including the transportation sectors that have gone on strike, have said that they are against the violence that certain sectors could unleash. This was stated prior to today's incidents; therefore, we believe that if all these sectors are separating themselves from these acts of violence, there is a small group trying to create a crisis here. We do not know who these people are, but the government, with the help of the police, will continue to do all that is necessary to stop these sectors, and we will make the arrests that are necessary and hand them over to the appropriate authorities.

Likewise, vehicles that are used to block streets will be seized by the government and placed in the custody of the National Police, who will impose fines against the vehicles' owners and later conduct preliminary investigations on them. I must also point out that at this moment the police have 15 people under arrest; this is the information we received at 1400 [1900 GMT] on 20 September. The National Police is going to continue these actions permanently throughout all of Managua. I will now give you Finance Minister Pereira, who has information regarding the collection of taxes, which is of much interest to all of you.

[Pereira] I have a very brief message, and I hope that everyone who is listening will share it with others. First of all, I must clearly establish that since last week the government has made several attempts to meet with the sectors that have expressed dissatisfaction over the vehicle ownership tax. We have tried to meet with those groups that are organized as well as with those that are not. We have tried to establish contact with those groups that are capable of expressing their demands in a civic manner, which strengthens the democratic state, and we have also attempted to draw closer to and establish contact with those who, unfortunately, do not yet know how to state their demands within a process of democratic consolidation and strengthening [words indistinct]. This must be very clear, because the government has never refused to hold a dialogue; on the contrary, it has attempted to establish these contacts.

There is no reason for the violence of these demonstrations in [word indistinct]. Apparently, many of the vehicle owners, particularly the owners of public transportation vehicles, have not thoroughly understood the measures that unilaterally [words indistinct], the government took unilaterally last week. Why did I say in a unilateral fashion? Because there is a clear division between the groups who want to express their demands in a legal way and those who are accustomed to using violence. Because we were unable to contact all the groups, the government, as a sign of cooperation, took one step ahead knowing that the problem of the vehicle owners is not [words indistinct] for the transportation workers.

Transportation in Nicaragua has a structural problem; it is plagued with problems. One of the main problems is that our transportation workers or the Nicaraguans only handle 10 percent of the internal cargo. We have a competition problem with the rest of Central America for a great number of reasons. One of the least important is this tax. By attempting to use a secondary cause [words indistinct]. The taxis of any year, the buses of any year, the trucks of any year, or any public transportation vehicle, whether they transport two or 100 people, no matter what year, will only pay 350 cordobas. The people have said they were willing to pay for the license plates, which cost 300 cordobas. Now this tax is only the price of the plate plus 50 additional cordobas. I am trying to explain this so that the people understand, so that they realize the magnitude of the uproar being staged despite the substantial reduction of the tax. Previously, in certain cases, the tax on public transportation vehicles rose to 2,800 cordobas. Currently the maximum fixed tariff is 350 cordobas, which is almost eight times lower.

Meanwhile, the cargo transportation workers [words indistinct] the radio. Certain cargo transportation workers said they had to pay 1,500 cordobas or 1,200 cordobas. These people have not understood the measures either. What has happened is that people have been influenced by a few [words indistinct]. Originally, a truck over 10 tons paid 1,300 cordobas, 1,000 for vehicle ownership, and 300 for the license plate. With the reduction, they now have to pay 450 cordobas, 200 cordobas for the license plate and 250 cordobas for vehicle ownership. That means that instead of 1,300 cordobas they now have to pay 450 cordobas.

No where is there any talk about thousands of cordobas, as some are saying. There is talk of some hundreds of cordobas, depending on the size of the vehicle. Another example is the [word indistinct] trucks, those that take the produce to the market, so that the family basket can be cheaper. The family basket is more expensive now, because this situation that has prevented the produce

from reaching the markets has also affected the children who want to go to school and those who want to go to work [words indistinct].

Those trucks that previously had to pay 900 cordobas, 300 for the license plate and 600 for vehicle tax, now only have to pay 150 cordobas as a vehicle tax and 200 cordobas for the license plate; that is, they are going to pay 350 cordobas.

I think it is a good idea for those who hear this to inform those around them, because I have heard on the radio of people saying they have to pay thousands of cordobas. They do not have to pay more than 350 cordobas, in two payments.

To conclude, reiterating, the first point is that the government has not refused to engage in a dialogue; the second is that the government has made substantial reductions. We want to be on the same level or cheaper than Central America; if we are not we are willing to discuss this. This can be done in a civil way.

Here in Nicaragua we should not [words indistinct] the state of law. We realize and are convinced that a small group of transporters has received clear orders from some member of the Sandinist National Liberation Front, FSLN, to block streets and prevent people from exercising their right to go to work. I think that within the framework of civic appeal, Nicaraguans can also exercise their rights. There is no reason children should be prevented from going to school. There is no reason why people who want to go to work cannot do so.

There is no reason why those who want to go to a market to get their supplies cheaper should have to pay more now just because of the actions of a few people.

I am not calling for violence. On the contrary, we must learn to live together peacefully in society. If a truck driver wants to strike, he can do it at the side of the road, not....[pauses] The Government Ministry fortunately has the full support of the Government of the Republic to proceed in accordance with the law. Nicaraguans are repeatedly asking, each time in a clearer way, for the law to be upheld. We will do that within civic standards, because we want this country to start advancing.

Thank you.

[Announcer] We have heard Finance Minister Emilio Pereira explaining the application of the tax on vehicle property and disclosing the fact that the price of the basic family basket will increase in light of this strike by a group of transportation workers. More importantly, he has called on Nicaraguans to defend themselves in a civic manner and within the framework of the law to defend their right to work and live in peace.

We will now hear Labor Minister Francisco Rosales Arguello. This news conference is also presided over by Government Minister Alfredo Mendieta, who began by giving details of today's events by the groups that have blocked traffic in the capital city and its main arteries. Two persons were wounded and 15 arrested.

[Rosales, in progress] ... we already said it at the Information and Press Directorate last week. When the transporters proposed that the draft bill of the general cooperatives law be withdrawn from the National Assembly, we said, and rightfully so, that those making the proposal could not have participated in drafting the bill because they were not cooperatives at that time. I will say it again. The Parrales Vallejos Union was a union of the National Bus Enterprise [Enabus]. Today it is called Parrales Vallejos Cooperative. It is no longer called Enabus because of the sale of those goods to the Parrales Vallejos Cooperative. But the draft bill was written last year, and the cooperative was created this year. There is also the cooperative represented by Mr. Gustavo (Aguilus). That cooperative was just registered on 6 April 1993. (Aguilus) is the leader. That cooperative cannot request withdrawal of the draft bill because it did not exist when the bill was drafted. It cannot participate if was not a cooperative at that time. The union federations helped draft the bill.

This is very important due to the participation of people in the transport sector. Fetracolnic [Nicaraguan Mass Transit Drivers Federation] and Fetracanic [Nicaraguan Truck Drivers Federation] represent 75 percent of the collective and cargo transporters of this country. When they speak of 275 cooperatives grouped in this movement, they are actually speaking of 275 cooperative members, which is something else.

According to the registry at the Labor Ministry, Unico (Taxma), which even changed its board of directors on 2 July 1991, appears as formed by two cooperatives. The 23 August Taxi Cooperative has 44 associates, which does not mean they have 44 taxis because being a member of a cooperative is one thing and driving a taxi is another. The 2 August Taxi Cooperative has 210 associates according to a list dated 14 July 1993. There we have the Unico Taxi Cooperative.

Then there are other cooperatives such as the Rene Chavez Taxi Cooperative, which just changed its legal name. It used to be called the 19 July Taxi Cooperative. That cooperative does not even have records in the registry. But to date the Labor Ministry has never in three years of government, I will say it again, never canceled a single cooperative.

I invite all Nicaraguans, television viewers, or anyone interested in learning the facts objectively to review the gazette and see how in the previous decade there was not a single month in which Mr. David Orozco or the general director of cooperatives before David Orozco did not cancel a cooperative. Every month a cooperative was canceled because they used to stray from their goals. This ministry, under my leadership, has not canceled any cooperative. Its merit has been precisely to conciliate the inter-cooperative conflicts.

So, when people say that we want to control the cooperatives, they are manipulating information. I want to tell the television viewers and radio listeners not to allow themselves to be fooled. I challenge anyone to identify a single cooperative that I have canceled. There is not a single one.

If I wanted control I would maintain the legal structure of the past and tell the Parrales Vallejos Cooperative: Don't worry, because if the decision on whether to withdraw the draft bill was in my hands, I would withdraw it. The previous legal structure, indeed, has all the coercive power. On the contrary, we have tried to democratize the process.

We do not want a government, and this has been the test since the outset of this government, that reflects anything other than a desire for dialogue, which is the instrument par excellence for resolving problems.

I do not see, however, how I can resolve my problems at home by talking to my neighbor, who, in this case, has no part in the problem. The cooperatives demanding that the bill be withdrawn are newer, recently created cooperatives that did not help prepare the general cooperatives draft bill. What must they do within a democratic system? They must go to the National Assembly and present the reform bill they consider pertinent. That is what they must do. Their advisers have given them poor advice. Once a bill is sent to the National Assembly and the Assembly has sent it to the committees, only the Assembly can reverse that action by withdrawing it from the agenda. From a strictly legal point of view, the executive branch cannot do anything

It is obvious, as I have very clearly stated, that there was a consensus when the draft bill was prepared. That is why I must make absolutely sure, I must leave no doubt whatsoever, that the government cannot withdraw that draft bill.

To conclude, I must tell you first that there is no reason to continue the strike. Our organizational problems can be negotiated perfectly well with the federations, and the Transportation Commission can be represented by two delegates. Minister Mendieta already invited the commission this morning, and we can discuss the transportation sector's structural problem very well.

When I speak of structural transportation problems, they know I am referring to regulations, routes, and the fact mentioned by Minister Pereira that only 10 percent of international cargo is handled by the Fetracanic. The rest is handled by the Salvadorans, Guatemalans, and other cargo trucks you see on the streets. One reasons for that is because our trucks are totally deteriorated. The average age of trucks in this country is 16 years, and we are aware of that.

We want our transportation to have, even within the framework of the Central American Group of Four [CA-4], the preferential and asymmetrical treatment it is demanding and which President Violeta Barrios Chamorro demanded when the CA-4 was signed. I must stress, then, that there is no reason to continue the strike, because you had all agreed to pay for your license plates. Now you must pay for the plates and 50 cordobas. You must reconsider and give the Constitution credit. As you all know very well, we did not write this Constitution, but it establishes universal principles that we should all take into consideration.

Article 24 states that each person's rights are limited by the rights of others. That is a principle you will see in effect everywhere in Mexico, because Benito Juarez used to say: My freedom ends where the rights of others begin. Each person's rights are limited by the rights of others for the security and good of all. Anyone who wants to strike can do so, but he must, quite obviously, allow others to exercise their right to freedom of movement. The people are entitled to that. Those who want to go to work must be allowed to do so. Blocking highways makes a strike uncivil. It is important that you understand this.

If what is wanted is to force the people into not going to work, that means we are not strong. It means we are unable to pay the people and that our political message is not the right one. This is why we resort to violence and set up road blocks.

For us all to understand each other and reach acceptable agreements for both sides, the government took a series of measures last week. As Pereira said, instead of paying more than 2,000 cordobas, now the people will pay 350 cordobas. That is the cost of the plate plus 50 cordobas.

The fiscal problems and the problems with the municipalities will be resolved through negotiations with the Nicaraguan Institute of Municipal Development [INIFOM]. We are aware that the amounts charged in certain places are incorrect. The central government said that last year and advised that there must first be contacts with certain municipalities to address this particular issue seriously so that what happened last year does not happen again this year. We now know that there are several places charging the wrong amounts: the Ocho de Mayo Bridge, the Paso Caballo Bridge, the entrance to Matagalpa, the entrance to Juigalpa, and several other toll bridges that are charging people when leaving certain other places.

Let me conclude by making a formal call for the people to be allowed to execute their rights as provided by this Constitution. Just as the people holding this strike have their rights, so do those who want to go to the market, to school, to the hospital, and wherever. In this case, reaching an understanding is essential. I would like to extend a serious invitation to independent carriers and cooperative members to send me whatever they believe should be changed in the draft law. Depending on the degree of importance I find these issues to have, I am willing to act as their spokesperson at the assembly. The way to go is, however, the National Assembly.

[Announcer] After hearing Labor Minister Rosales, we now move on to a question and answer period. Francisco Riba, representing REVISTA GRAFICA, will now ask a question.

[Riba] It was reported that the unions received instructions from the FSLN to paralyze Managua. Could this be another uprising and a way how the FSLN can show its double personality?

[Pereira] What I said before was that a small portion of the transportation workers resorted to measures of force [words indistinct] some Sandinist leaders. Let me stress here that it is not all the Sandinist leaders, but we received information yesterday that a strategy was drawn up, in very specific words, to block certain roads. Within the spirit of national reconciliation I again call on you: Violence is something that Nicaragua left in the past. We Nicaraguans can no longer take the streets by force. We must learn to live in peace.

The great majority of transportation workers, over 80 percent, are protesting peacefully. They even issued a communique on 17 September stating their civic position. We must not pay any attention to this minority group or this small number of leaders who are influencing the others. It was said that the community leaders were backing the strike but have held many meetings with them to try and solve property problems in those towns where people have their small lots of land. Just as we have worked together then, I defy the transportation workers to change their attitude and work peacefully with us instead, so we can get back to normal. All in all, it is the people who suffer the consequences, more so the poorest.

[Reporter] The next question is whether there is any possibility for negotiations or of reaching any understanding with the leaders who have blocked the main streets and entrances to the capital city. They are also asked if there could also be another reduction in the vehicle property tax, particularly because there are many who have not [words indistinct]. The government minister will answer the question.

[Mendieta] There are many issues in that one question, so I will try to answer a couple of them at least. Definitely, in establishing a state of law and maintaining law and order, which the people demand, we cannot discard any action authorized by the Constitution, to punish those who disturb the peace.

Let me address your question about Daniel Ortega. Today's issue of BARRICADA says that Daniel Ortega is directly supporting this action. He has even called on the people to support the strike. I do not know if he has in fact given specific instructions to his people to join the effort, but we have knowledge that there is a commission consisting of several Sandinist leaders and some of the people who have resorted to this measure of force. Secondly, I would like to say that the dialogue we are promoting, which we have been calling for several days and not just today, includes a review of decree 693, on which we believe there has been significant progress, and an in-depth analysis of the day to day structural problems, as described by Mr. Rosales, that affect the general transportation system and the public transportation system.

The organized transportation sector, 80 percent of the transportation sector, a majority, has told us that those are the problems they face and we, to a certain extent, feel happy, because this problem was brought up last week. This way we can find a solution to a problem confronted by a sector, which we consider to be vital for our economy, to operate as it should.

Regarding the private transportation sector I would like to add that the reduction was done in four sections. The first section includes taxis, buses, minibuses, and pickups. This group must pay 350 cordobas, and they can pay this amount in two installments. This amount equals the former cost of a license plate plus 50 cordobas.

The second section applies to those vehicles used to transport cargo. All those vehicles made before 1990, and allow me to add that we have been advised that the newest vehicles used to transport cargo in Nicaragua were made in 1985, will only pay 25 percent of the previous rate; in other words, they will pay one fourth of what they paid in the past. In every case, the reduction has been quite significant.

Private vehicles, and we are now talking of approximately 90,000 vehicles, approximately 80,000 vehicles, eight of every nine, will pay 50 percent in tax; in other words, two thirds of what they paid for their license plates. We then have some 10,000 new cars, made after 1990, that will be paying 100 percent of the tax.

I have been saying, and BARRICADA mentions this in today's issue, that taxes in Nicaragua are regressive. This is a direct tax on property that many people have not understood. The person who can afford to buy a new vehicle with an engine bigger than 2,000 cubic centimeters can afford to pay more taxes than the person who owns an older and smaller car. That is what on which we have based our decision. The smaller number of cars are new and have bigger engines, so these will pay a higher tax, 100 percent in tax. And here we are talking of 10,000 vehicles of 189,000 vehicles in the country. All vehicles made before 1990 will pay less taxes, and all vehicles used to transport people will only pay 350 cordobas.

[Announcer] Transportation and Communications Deputy Minister Raul Leclair will complete the answer to the question asked by a reporter from a local radio station, who is also participating in this news conference being given by Finance Minister Emilio Pereira, Government Minister Alfredo Mendieta, and Labor Minister Francisco Rosales.

[Leclair] I would like to stress that some drivers are forgetting that the government has given them permission to exploit a specific service. They are providing a service that is subject to certain rules that must be

respected. If they fail to provide the service properly, if their vehicle does not meet the required standards, if the established rates are not respected, and if the service is not efficient, then, depending on the severity of the problem, a fine can be applied. These fines can be monetary, and if very serious, the permits can be revoked.

I believe that the seriousness of these incidents could result in an investigation into who is to blame for this situation, and their permits could be revoked. We cannot let the people's needs go unanswered too long, and we must not forget that there are many people who are willing to offer the service that others are refusing to offer because they are involved in political maneuvers and other things that have nothing to do with their job, which is providing a service.

[Reporter] Minister Pereira, in my hands I have an official communique issued by the Finance Ministry. You said that no one is charging 1,000 cordobas. I can prove to you than vehicles with engines larger that 2,000 cubic centimeters are paying 1,250 cordobas; in other words, the Nicaraguan people who own private vehicles will be paying this amount. EL NUEVO DIARIO published two communiques in which taxis and public transportation vehicles are exempt from paying the tax, but the owners of private vehicles are taxed, in other words punished. Can you explain this? This morning we heard that a deputy was shot this morning; is this true?

[Pereira] We also saw the communique about which you are talking; unfortunately, during a heated situation the people will not listen to the truth.

When things go well some say: It is too good to be true. But I explained this a few seconds ago when I answered a question from the distinguished reporter in front of me. Only those with large vehicles manufactured in 1990 or later, between 8,000 and 10,000 from a total of 189,000 vehicles in the country, are subject to the payment of the 100-percent tax. It is untrue, as you say, that all privately-owned vehicles in Nicaragua will have to pay 1,250 cordobas. It is important to read this carefully. The paper states that vehicles manufactured in 1990 or later will have to pay the 100-percent tax. At the bottom of the copy of the communique that you have you will see that only vehicles of more than 2,000 cubic centimeters will pay. This means an eight-cylinder vehicle, like a large Mercedes, will pay 1,250 cordobas, but if this Mercedes or an eight-cylinder vehicle were used as a taxi, it would pay 350 cordobas only. I appreciate your question, although a little distorted, because some people have not read this and your question helps me explain. A small number of new cars with large motors must pay a larger tax anywhere, particularly here, because the country must save fuel. Only this small group will pay the 100-percent tax. In addition, this payment can be done in two installments.

[Station announcer] [Words indistinct] a consultation on the second question asked by [words indistinct]. This is the government minister.

[Alfredo Mendieta Artola, in progress] ....near the Roberto Huembes, where one demonstrator fired a pistol on Raimundo Navarrete Noruega, who was driving a privately-owned vehicle, wounding him in the chest. We have no reports that he died, however. The police captured the person who fired, but the demonstrators spirited away this person and an AK-47 assault rifle from the police. Later, we sent reinforcements to counter this situation. That was when the incident of the shots from the bus occurred. Some people were arrested after the incident.

[Announcer] A question is now being asked on the EPS [Sandinists People's Army] having nothing to do with the current situation. Mention is now made of the cancellation of Decree 6-93.

[Unidentified minister, in progress] ....temporary destabilization processes. This is illustrated by the recent hostage taking, when five or six people created a general crisis. The sectors that use this form of struggle, so to speak, are surely violating society, whose defense mechanism, democracy, is limited. You yourself asked who gave the order to fire or beat the people with rifle butts. No one gave the order to fire or strike with a butt. Quite the contrary; the police have been attacked by some people. The police, during duty, had to react to this attack.

In addition, the EPS never said it is out of this event. I do not have the text of Lieutenant Colonel Wheelock's remarks, but I spoke to him personally before this news conference. He said that the Army High Command's instructions have been for the soldiers to remain quartered in their own units, waiting for orders to protect the strategic interests of the country, the economy, and the people. We have not considered asking for Army replacements, because we think the National Police members we are using are sufficient to restore peace in Managua, where this situation is occurring. At no time has the Army said what was reported. Quite the contrary. I spoke to Major General Joaquin Cuadra this morning, and we coordinated actions to preserve certain places, like the Esso refinery, certain INE [National Energy Institute] facilities, the president of the Republic's home, and the National Assembly. So there is a permanent coordination and the usual relations with the Army to cope with this type of situation.

[Announcer] [Word indistinct] asking a question on the remarks of Lieutenant Colonel Ricardo Wheelock concerning the [words indistinct] of the 3-80 Northern Front in the kidnapping crisis a week ago in our country.

[Unidentified minister] I was truly worried by Lt. Col. Wheelock's remarks. I spoke with him and found there was really a misunderstanding. He said the Caulatu

agreements somehow implied the dismantling of cooperatives and included certain requests that he said violated the Constitution and laws.

I do not think the Army can take any position. Due obedience falls within the framework of the law, and this government advocates that all of the Army's actions must fall strictly within the framework of the law. When I explained the scope of the Caulatu agreements to Lt. Col. Wheelock, he fully agreed that there was no need for concern.

[Reporter] [Question indistinct]

[Mendieta] In Huaspan, you said?

[Reporter] Exactly. At an Esso gas station there.

[Mendieta] Here?

[Reporter] Yes, here in Managua. Approximately 20 people were arrested, and an EPS van with license plate 01342 was also there.

[Mendieta] I repeat, we have not really requested any further intervention from the EPS than that which I have already mentioned. Second, there is an arrest warrant out for anyone participating in actions that hinder public order and threaten the population. I issued those instructions personally, and I spent the entire morning with Commander Fernando Caldera directing National Police operations to restore public order in Managua. To put it simply, I believe that it is every government's duty to use its forces, in this case the National Police, to guarantee public order and citizen security. This, of course, demands a huge effort on our part.

On 19 September, I stated in a communique that the government had decided not to hesitate to take any action necessary to preserve public order in Managua and that it will take every legal step to normalize the situation. I must also categorically state that any person who is caught engaged in acts of this nature will be placed in the custody of the legal authorities and will stand trial.

[Reporter] Mr. Government Minister, first I would like to know if the Nicaraguan Government would describe the events at dawn and during the morning of 20 September as an attempted conspiracy against the government's stability. Second, what will you do to secure transportation for the people on 21 September if the drivers maintain the position they adopted today?

[Mendieta] I don't think today's actions can be described as a conspiracy. We must point out that a majority of the transportation organizations, including those of the National Transportation Commission and those that are encouraging the transportation strike, have objected to any forceful actions. We therefore believe that some sectors are acting to provoke these conflicts. We are increasing police units throughout Managua tonight. We are alert throughout the country to prevent any act of this sort from recurring.

We have been informed that certain events were being planned for tonight, and we have issued the pertinent instructions to the general director of the National Police so he can implement all the necessary preventive measures. The same goes for Matagalpa and Diriamba. I think we have gradually controlled the situation and reduced the strike considerably. We urge the sectors that are participating in this strike to distinguish between a protest or a strike and a clear provocation by certain sectors. They must not allow themselves to be used by these sectors, because we are going to use every mechanism within our reach to resolve the problem.

[Unidentified speaker] Two more questions.

[Reporter] I would like to know if [words indistinct].

[Announcer] Our colleague is asking about some statements made by the transportation sector about the implementation of tax measures. Minister Emilio Pereira will answer the question. The reporter is saying that the transportation sector will only talk to Presidency Minister Antonio Lacayo and Pablo Vigil, construction and transportation minister. According to the transportation sector, these two ministers are the only ones who can find solutions to their demands. Romero is also asking about the arrest of those people who participate in the acts of violence and provocation.

[Pereira] First of all, those were a lot of questions, one after another. I will try to answer all I can.

I believe you are right in saying that no agreements have been reached. That is true. Unfortunately, during the news conference we gave on 16 September, the news conference Minister Rosales and I gave, some reporters said an agreement had been reached. At no time did the government say that an agreement had been reached. I wish to reiterate what I said a few minutes ago. We adopted a unilateral measure. We approached various groups and met with them separately. These were organized as well as unorganized groups. We talked to them about the possibility of something that could be a savings. I even told some of them that the discount could be a surprise and be even bigger than what they were asking for. That was what happened.

We began talking about a 25- or 50-percent reduction for taxis, pick-ups, and buses. In the end, we unilaterally went even further. We reduced the rates to amounts that were lower than the ones that some groups felt represented an appropriate reduction. We lowered the rates to 350 cordobas for all vehicles used to transport people. This reduction, like all reductions, is done according to category. The largest discount goes to the sector that provides public transportation. They will pay 350 cordobas. The second largest discount was given to vehicles that are used to transport cargo. They will only pay 25 percent in taxes. Private vehicles are divided into two groups: all cars made prior to 1990 will pay 50 percent, and those made after 1990 and with big engines, very few vehicles, will pay 100 percent of the tax. [Words indistinct] we have made good progress. Reporters must not

forget that the transportation sector has presented nine ("demands), many of which are good for the transportation sector in Nicaragua. I would say that we have made progress in this direction, and now we must broach other aspects.

I will now let my colleagues answer the other questions.

[Announcer] Government Minister Alfredo Mendieta will now continue answering the question. I see that he is giving the floor to Labor Minister Francisco Rosales.

[Rosales] I wish to reiterate that we never said we had carried out negotiations. If you review your recordings, you will see that when I was asked about this I said there had been no negotiations. [Words indistinct] we talked to them, exchanged ideas, and discussed the matter, but there were no negotiations.

I would like to bring up something that is very important. A country that is currently experiencing the problems created by a tropical storm, a country with more than 50,000 storm victims, cannot tackle a transportation strike. That is why we believe the transportation sector's position became political. Why? Because they are provoking disorder and destabilization. At a time like this, a country with a sense of respect must be able to call on the people to help cover the needs of the storm victims.

We have systematically been observing that at a specific moment the crisis became worse. Why? As I said, for political reasons. We cannot fool ourselves. This is a strictly political matter.

A few minutes ago, holding the Constitution in my hands, I told you that no one has the right to obstruct freedom of movement. Benito Juarez said that respect for the right of others is peace. If I am driving along a highway and I stop because my vehicle is broken down, it is my duty to ask the police to intervene, especially if some policemen are nearby. By saying this I am answering two questions. You said people had been arrested and that at a certain moment there was violence.

The Government Ministry has not issued orders for repression. Everything that was done was simply a response to a problem. You mentioned that a couple was injured. Anyone caught in the middle of a skirmish must know that both Syrians and Trojans, Christians and pagans suffer the consequences. We are saying that we do not want violence. The channels of dialogue have always been open. Anyone who wants to go on strike may do so, but there is no reason why they should prevent people from driving around.

Deep down the problem is to determine whether the sectors want to reach an agreement and solve the transportation sector's problems. But we must not fool ourselves. We cannot say that the people who are blocking the highways are good kids and that those who are using the highway are bad kids. Then we would be saying that the doves are shooting at the shotguns. If a parent wants to drive his child to school, if a market vendor wants to take her goods to the market, he and she have every right to do so. No one should stop them.

The questions must be asked and answered by you. You are responsible for reporting the news. According to the Constitution, the people have every right to know the truth. You must tell the truth. The people blocking traffic in the country are not the only good kids. The people are not divided into two groups: good and bad. If we view the people from [words indistinct] and try to blame the Government Ministry for arresting someone for disrupting order, then we are distorting the whole picture. The Government Ministry's role is to establish order. We must be very clear about something: Today we, as the government, invited the ad hoc Transportation Commission to discuss the other problems. We believe that some structural problems in the transportation sector, as Deputy Minister Leclair said, must be broached by this administration.

[Reporter] Tires are being set on fire here and there. The government has not restored order. It appears to have its hands tied. The other two questions are for the finance minister. Please name the Sandinist leaders who have been instructing the people to riot. Some lawyers say the Finance Ministry is not empowered to issue these decrees to establish taxes. Some lawyers say the problem is not whether or not to reduce them but that they are unconstitutional.

[Words indistinct] Why do you people try to impose negotiations with the federation [not further identified] without taking into consideration the repercussions of this stand, that there are injured people, prison inmates, and blocked streets? Does the fact that a politician backs the public vehicle owners' demands mean [words indistinct] to you although both Daniel Ortega Saavedra and Francisco Mayorga Valladares have supported the vehicle owners' demands? One last question. I would like a comment by Pereira on the case of Nadia (Lett) and Humberto Ortega's house.

[Pereira] I would like to answer the three questions. First, we do not think the government's hands are tied. On the contrary, we think that today's actions have established quite clearly the ability of the government and the police to cope with these types of situations. Order has been maintained throughout Managua, although there are still a few acts of violence.

We have invited the National Transport Commission to discuss these matters. We believe a delegation of two or eight members would be more or less the same, because the arguments are going to be the same. We do not want an assembly to decide situations that are under the authority of all transportation sectors in general. Also, the ad hoc Transport Commission is not the only body that represents these sectors. We believe Fetracanic, Fetracolnic, and Setraconic [expansion unknown] represent approximately 90 percent of the national transportation sector. We have invited these organizations to a

meeting. They are right here at the Government Ministry, unlike the National Transport Commission, which has not responded to the government's invitation. The government is amply represented by the Government, Finance, and Labor Ministries, as well as the Christian Community Movement, to meet with these commissions and try to find a solution.

In addition, I think politicians bear a great responsibility when they support not just demands but actions that undermine security and public order. I think anyone who supports such actions is guilty of a crime and could be prosecuted, regardless of whether his name is Ortega or Mayorga.

A couple of questions regarding transportation remain unanswered as well as a final question regarding the case of (Nadia Lett), Ricardo Wheelock, Mr. Segelman, and Humberto Ortega. That case obviously has nothing to do with the transportation issue, but I will answer it.

First, I believe it is very important to point out again that Nicaragua's taxes are not the result of the Finance Ministry's whim or capriciousness. Decree 6-93 became public on 10 January 1993 with monetary corrections and a series of measures that established the foundation for the Nicaraguan economy's reactivation, taking into consideration that [word indistinct] life would take place this year.

There is confusion, even in the question posed by the young lady from [word indistinct] who asked why the Finance Ministry would establish that tax. The Finance Ministry did not establish that tax. It came through a decree from the Presidency of the Republic. The Constitution reads, you will allow me to read Article 150, that the following are presidential attributes: Clause Four, to issue executive decrees: 6-93 is a decree that will have the power of a law in fiscal and administrative issues.

There are three other articles and clauses in the Constitution that we did not make which state the faculties the Constitution bestows on the Presidency of the Republic. This is definitely a presidential Constitution that gives the president many attributes. That is why the democratic sectors in this country want constitutional reforms, so that we can gradually distribute power between the Public Force, [word indistinct], and the Presidency of the Republic. The National Opposition Union's government program clearly establishes that the Constitution must be reformed.

Second, regarding the property issue, I must tell you that I believe there were two headlines. One on 18 September in LA TRIBUNA and another on 20 September. A report also came out that I believe was attributed to Deborah de Moss on Radio Corporacion. To save you the question I will refer to the issues about which the people are concerned. First, the people want to know if the money came from the state, and second they want to know if I, as a government official, should meddle in the affairs of private citizens.

First, I must guarantee that at no time has money been taken from the government's funds, under no circumstances. I must also tell you that Dona Violeta's officials are not only capable professionals, but they are honest and have their hearts in the right place. If we were not strict many people would not be free. Second, I must clearly state that as part of the national reconciliation it is our duty to be mediators, agents of change. The best thing for this country, to ensure its stability, is harmony between the sides. I must tell you that I am not only pleased to have mediated this arrangement, but I will continue to do so, because many cases have been resolved this way, dozens of cases that have brought great relief regarding the property which, unfortunately, is one of the biggest problems this country inherited.

Mr. Mendieta showed me a letter when the question was asked. I am going to distribute to you the letter (Nadia Lett) very bravely sent to LA TRIBUNA, which I challenge that newspaper to publish on its front page. The letter reveals that Deborah de Moss lied when she said that (Nadia Lett) was forced to receive an excessively large sum of money. (Lett) states how much she received and also thanks the government for its mediation so that a satisfactory agreement could be reached between the sides. Things are being proven here; one of them is that it is our government's duty to continue mediating.

I must tell you that we have not only mediated in property issues. There have been many problems among private citizens and members of the private sector in which government officials with the experience acquired from three years of concerted effort, conciliation, tolerance, and patience have been summoned to mediate. This has also happened within families that had problems for 15 or 20 years, and we resolved their problems and we are going to continue doing so. I am going to have copies of this letter distributed to you so you can see this is a plot. Instead of (?encouraging) the government to resolve the country's problems it is tied down, and Deborah de Moss says that the country has problems so that aid will be suspended. These are the things we Nicaraguans must begin to point out bravely. I want to bravely urge the people to oppose any attempt to block our highways in a civic manner, because we cannot let the whim of a minority prevent children from going to school and people from going to work.

Changing the tone of this event a little, I would like to close by saying that we are reiterating our invitation to all the sectors that wish to talk with the government. Already present right in this room are FETRACALIT, FETRACOLIT and SETRACOLIC, who are ready to start talking. The other group has not appeared, and the people cannot continue waiting for these gentlemen to be ready so that we can settle a number of problems that must be promptly resolved.

I say to the news media that instead of promoting the strike as many of them have done over the past few days,

they begin to say, why not meet, why not reach agreements, when is the next meeting, and exert pressure to resolve this problem. Thank you.

FSLN Communique Supports Strike

PA2109012693 Managua EL NUEVO DIARIO in Spanish 20 Sep 93 p 8

[Text] We have received the following communique:

Sandinist National Liberation Front [FSLN] district and municipal leaders, labor and sectorial organizations from Managua Department, and the FSLN's National Directorate held an assembly to examine the country's current situation and have adopted positions regarding the following issues.

1. The country's economic situation:

After examining the prospects of the economic-social crisis, which has been further intensified by the vehicle ownership tax and the fuel price increases that the Nicaraguan people are experiencing, the assembly has made the following decisions:

To actively and firmly support the struggle undertaken by various social sectors headed by the National Transportation Commission, to which the FSLN summons its entire membership and the general public to actively support this struggle in their neighborhoods, settlements, regions, and communities, until fuel prices are lowered and the vehicle ownership tax eliminated.

2. Regarding the National Dialogue:

This assembly and the Nicaraguan people support national dialogue as a possible solution for national problems. They feel that to be real and true, dialogue must begin by resolving the economic-social problems the people are experiencing; dialogue will thus prove useful to the people and the nation.

With or without national dialogue the people have decided to seek a solution to the problems in question in order to survive.

3. Regarding the Armed Forces:

This assembly of leaders of territories and social sectors expresses total support for the Sandinist People's Army [EPS] and the National Police as national institutions and demand that the government respect their integrity in accordance with the EPS and National Police laws and the Constitution, because it is in fulfillment of these laws that their commanders must be removed and not as a result of the interests or pressures of foreign groups.

Issued in the city of Managua on 18 September 1993.

Free Fatherland or Death.

FSLN To Propose Temporary Article to Military Law

PA2109014693 Managua BARRICADA in Spanish 20 Sep 93 pp 1, 12

[Report by Roberto Larios and Pedro Vindell Matus]

[Text] Sergio Ramirez Mercado, a member of the Sandinist National Liberation Front [FSLN] National Directorate, during a meeting with Sandinists in Granada yesterday reported that the FSLN will propose to include a temporary article in the new Military Organization Law to define how long General Humberto Ortega will stay as Army commander.

The FSLN will defend the Army's institutionality, and, just as it happens everywhere else in the world, the change in commander must happen in compliance with the law and military promotion roster, according to which Mayor General Joaquin Cuadra should take Ortega's place, Ramirez said.

Just like in Granada, the FSLN held other meetings in Esteli, Juigalpa, and Chinandega, which were attended by other FSLN leaders, and debated subjects related to the general transportation strike, the new taxes, and the outlook for dialogue.

At the National Assembly, the Sandinists will also propose that the new Military Organization Law be given constitutional status so that future changes can be made according to the special majority that the law stipulates.

Ramirez said a national dialogue should discuss the country's social and economic problems. The FSLN is willing to debate any of these subjects, such as constitutional reforms, National Assembly reorganization, and property ownership.

The FSLN regards constitutional reforms as necessary and is willing to let a UNO leader hold the assembly president's post and even vacate the leadership positions held by Sandinist deputies, provided they or any other deputy or group, such as the Center Bloc, "are respected."

Ramirez explained to the FSLN active members in Granada the decisions made by the Sandinist Assembly on 17 April proposing a national unity government and a new economic policy in the country. He said that when the FSLN proposes a government of this nature it is not speaking of sharing ministries or government positions but of constructing a national stand regarding the negotiations with international financing organizations, which, with their wrong "recipes," have the country on the verge of a social outbreak. He called on the active members to define the right forms of struggle and to rule out violence and armed actions.

The Sandinist Assembly's economic proposals stress the importance of prioritizing national production, preferential loans to the emerging economic sectors, and a revision of the tariff and monetary policy, in which the

Sandinists coincide with the remarks made by the Chamber of Industries [CADIN], a COSEP [Higher Council of the Private Enterprise] member organization.

Ramirez then talked for more than two hours with members of the Granada Departmental Leadership Assembly, who in more than 20 instances agreed that the FSLN should participate in the national dialogue to find stability and a solution for the serious unemployment crisis.

Also, the leaders favored both the defense and legal guarantee of APT [expansion unknown] through a constitutional article and the preservation of the legal order in the country. They also said it is necessary for the assembly to discuss property ownership and "put an end" to this problem. In addition, leaders of the Community Movement invited to the event requested that reforms to the Tenant's Law be approved at the assembly.

Panama

Legislative Commission Approves Credit for ARI

PA2009144593 Panama City EL PANAMA AMERICA in Spanish 17 Sep 93 p 2A

[Report by Carlos Vargas]

[Text] On 16 September, the Legislative Assembly Budget Commission approved 2.5 million balboas in special credit to provide funding for the Interoceanic Region Authority (ARI), which is the entity responsible for administering the reverted properties.

While defending the special credit request before the Budget Commission, Dr. Carlos A. Mendoza, president of the ARI Board of Directors, said the funds will be used to cover maintenance expenditures, equipment purchases, and security service payments for the reverted properties.

The funds requested in the special credit will be financed by a loan of 2.5 million balboas from the National Bank at 8.0 percent annual interest with a maturity term of three and one-half years. The guarantor of the loan is the Panamanian Government.

This special credit requested by Resolution 288 totals 2,985,460 balboas. The Budget Commission reviewed this request on 11 August, when the amount of 127,460 balboas was approved. The remainder was pending ratification from the Comptroller General's Office.

The Comptroller General's Office on that occasion did not grant its approval for the total credit request because the Comptroller General's Office first needed the authorization of the National Economic Council, as required by a document of the Budget Commission's economic advisory team.

Of the total credit request, 358,000 balboas are still pending ratification. The remaining amount of the total budget allotment for ARI completes the 2,958,460 million balboas called for in Resolution 288.

Commission Presents Alternate Canal Proposals

PA2009222893 Panama City LA PRENSA in Spanish 18 Sep 93 p 1

[Report by Manuel Alvarez Cedeno]

[Text] Panamanian Government sources announced that Panama, Japan, and the United States had agreed that a new set of locks costing $5.4 billion would be the best option for modernizing the Canal. The same Panamanian Government sources added that the project would create 95,000 direct and indirect jobs during the 10 years the construction is expected to last.

For 42 months, the Tripartite Commission for Canal Alternatives (CTAC), formed by the three aforementioned countries, analyzed the most viable options in order to maintain Canal operations in optimum conditions.

Guillermo Quijano, Panamanian delegate on the CTAC, disclosed during a 17 September news conference that the three countries had agreed that the new set of locks would be the best option. In addition, a sea level canal option was studied; however, the $10 billion cost and negative ecological impact this alternative would cause encouraged the commission to select the new set of locks alternative. "The most feasible option for the year 2020 is a locks canal operating in conjunction with the existing Canal, with a one way stretch at Gaillard Cut and enough capability to allow the passage of 150,000 ton ships," Quijano pointed out.

The Panama Canal was built by the United States in 1914 at a cost of $387 billion after France had failed in its attempt to carry out the project. Since its inauguration more than 700,000 ships have passed through the Canal.

On Monday, it was disclosed that delegates representing the three countries would meet at the ATLAPA Convention Center to sign the agreement establishing the alternative selected. The project construction is expected to begin sometime in the year 2010. Quijano stated that the decision to build a canal through Panama was made 90 years ago "despite challenges present at the time, while today we are confronting our own destiny, and it is up to us to assume our responsibilities and make our own decisions." The Panamanian Government official pointed out that we are sending a clear signal to the world that Panama intends to continue being the center of international maritime communications.

The CTAC's work concludes on 25 September following the official signing scheduled on Monday. However, Quijano recommended the government install an office which would be in charge of coordinating all issues

related to implementing the proposed alternative. Quijano added that "Panama must not wait for 16 years to pass before implementing details related to project construction. If we do, we could have a repeat of what took place with the reverted areas where planning started late." He suggested establishing negotiations with all countries that use the Canal in order that the project to be financed through nonreimbursable donations.

It was disclosed that the alternative selected implies that a new set of locks would parallel Miraflores and would pass through the left side of Rodman [Naval Base] on the Pacific side. On the Atlantic side, it would pass through the east side of Gatun and eliminate passage through Miraflores Lake. This would prevent having to build a third set of locks.

The Panamanian delegate indicated that "there is still a lot of work to be done before the year 2010, when construction is scheduled to begin." Meanwhile, it was disclosed that if Panama decided to assume the full cost of the project, tolls would be increased. Quijano indicated that as a result he "proposed that financing should be done through nonreimbursable donations."

He suggested the creation of a canal authority to manage the Canal, which would be similar to the one proposed to the Legislative Assembly. Of the thousands of ships transiting the Canal yearly, approximately 23 percent of the large draft vessels are Panamax ships, the largest allowed to pass through the canal.

Attorney General Office Opens New Drug Agency

PA2009210993 Panama City Telemetro Television Network in Spanish 1730 GMT 17 Sep 93

[Report by Edgardo Jose Sanchez from the "Telemetro Reports" newscast]

[Excerpt] An important meeting took place in Penonome between representatives of the Attorney General's Office and district attorneys in Cocle and Veraguas Provinces. The objective of the meeting was to coordinate the duties currently being carried out by the Narcotics Secretariat with those of the Attorney General's Office in these provinces.

In this respect, Narcotics Secretary Norberto Castillo indicated that the establishment of this new office in no way seeks to assume the duties of anti-narcotics investigating officials, but to support their duties.

On the other hand, Rosaura de Gonzalez, Cocle and Veraguas narcotics secretary referred to a plan that is currently being implemented in order to confront the problem.

[Begin Gonzalez recording] The program we have prepared during this meeting is related to what we discussed on previous occasions. We are preparing a criminal file in such a way that we will be able to identify all persons in the area involved in drug trafficking. We are also preparing maps where we will able to pinpoint those areas where narcotics distribution, use, and sale is highest. [end recording] [passage omitted]

Jury Remarks May Invalidate Spafadora Verdict

PA2009205993 Panama City LA PRENSA in Spanish 20 Sep 93 p 1A

[Report by Ibeth Vega]

[Text] Revelations about jury deliberations in the trial on the murder of Hugo Spadafora, which occurred in 1985, pave the way for the Attorney General's Office to request the invalidation of the verdict once these revelation are confirmed, a high-ranking judicial source has told LA PRENSA.

Two members of the jury, which was made up of four men and three women, said the soldiers are "guilty" of different degrees of participation and explained that the not guilty verdict reached on 6 September was inevitable because the questionnaire prepared by the Chiriqui District Attorney's Office gave jurors no alternative.

According to the source, who wished to remain anonymous, by law the jury cannot reveal what went on during the deliberations, because that would automatically call into question the legality of the verdict.

According to Chapter Two of Article 2391 of the Judicial Code, jury members in a court hearing commit an offense if they suddenly withdraw from the hearing room, if they have contact with people outside the hearing, if they disclose their opinions during the deliberation process, and if they do not sign a resolution issued by the majority.

There is also a Supreme Court of Justice ruling that bans any kind of revelation regarding deliberations leading to a verdict, because it would then be contested. "Revelations on deliberations by members of the jury pave the way for the request for the invalidation of the verdict in the Spadafora case," the source warned.

The source made the aforementioned statements after two members of the jury told LA PRENSA, among other details, what went on during the deliberations and how the vote went in the Spadafora case.

On 6 September, seven of the 10 soldiers accused of murdering Spadafora were acquitted by a jury, a decision that sparked protests in different parts of the country. The soldiers acquitted were Luis Cordoba alias Papo, Adan Pitti Guerra, Eliecer Rivera alias Pilon, Mario Abel Del Cid, Agustin Olmedo De Gracia alias Piyuyo, Jorge Villa Morales alias Bruja, and Demetrio Rodriguez Gutierrez alias Pale.

On the evening of 19 September, LA PRENSA talked to Special Prosecutor Carlos Augusto Herrera, who expressed his surprise at statements by members of the jury in the Spadafora case. Herrera, who refused to make statements on the issue, said he will soon talk to Attorney

General Jorge Ramon Valdes so that he will comment and reach a decision on this, as it is not the first time members of the jury in the Spadafora case have stated their opinions.

The two members of the jury, who talked to this newspaper, asserted that they knew the accused confessed to other crimes related to the murder of the formed deputy health minister, but the questionnaire prepared for them "constrained" their decision.

"Their statements (those of jury members) demonstrate that they are not at peace with their consciences and that they did not fulfill the instructions of Magistrate Luis Mario Carrasco, court hearing president, who explained to them that they should not decide whether the accused masterminded or perpetrated the crime, but whether they had participated in the death of Spadafora," the source said.

The source revealed that following the statements by jury members, the first thing that called everyone's attention was the series of pretexts and justifications they used to explain their verdict.

According to the source, following the publication of the report in the 19 September issue of LA PRENSA, the Special Prosecutor's Office will study a possible invalidation of the verdict due to the "negligence" of jury members, after the information published in this newspaper is confirmed.

The murder of Hugo Spadafora marked the beginning of the end of the military dictatorship led by Manuel Antonio Noriega, another of the accused who is now awaiting his sentence. The verdict of the jury may prompt in-depth judicial reform, according to one of the lawyers who participated in the hearing, which lasted two months.

Argentina

Drug Enforcement Secretary Meets Peru's Fujimori

PY2109035993 Buenos Aires CLARIN in Spanish 19 Sep 93 p 16

[Text] Peruvian President Alberto Fujimori and [Argentine] Drug Enforcement Secretary Alberto Lestelle have held a private meeting. The Argentine official said that they agreed on the necessity to "implement joint small enterprises to provide the labor force of workers and students to eradicate coca plantations."

The Fujimori-Lestelle meeting was held during the OAS-sponsored Inter-American Meeting on Alternative Development in Peru.

During his speech to the delegates, Lestelle stated: "The replacement of coca plantations in Peru, Bolivia, and Colombia must be financed by the industrialized nations and must benefit the peasants who now grow coca."

According to an official communique, the secretariat headed by Lestelle was described as "one of the few South American organizations that is using advanced international strategies in the fight against drugs."

Official Condemns U.S. 'Protectionist Measures'

PY2009211693 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2207 GMT 14 Sep 93

[Text] Buenos Aires, 14 Sep (NA)—Agriculture, Livestock and Fishing Secretary Felipe Sola has said that the United States "is about to launch a major and serious program to subsidize oil producing seeds. This program will again adversely affect the Argentine production."

Sola complained that "this has happened to us time and again. We had a similar problem with wheat recently, and now we are having this problem with oil seeds."

Sola charged the United States with following a policy of "do as I say, not as I do." In this regard he considered the Europeans to be "less hypocritical" because they say "this is it, whether you like it or not."

Sola said that while claiming to be "the standard-bearers of freedom" the Americans are implementing protectionist measures.

Sola also noted that U.S. restrictions on tobacco imports have hurt Argentine tobacco production. In remarks to Radio El Mundo, Sola stated that the Argentine Government tried unsucessfully to avert the measure, but it was "already impossible to stop it."

Sola said that approval of this restriction "is tantamount to requiring U.S. companies to buy U.S. tobacco." U.S. companies are thus forced to buy "at least 25 percent of the U.S. production."

Asked if the U.S. restrictions will cause international tobacco prices to fall, Sola said that tobacco prices are already too low. He added that there is "a serious problem concerning tobacco prices because there have been bumper crops in Brazil and Zimbabwe, as well as in other tobacco-producing countries. The United States has compounded the situation with this measure."

Sola admitted that Argentina "has no effective way" of imposing sanctions on U.S. production, because if it had it "would not hesitate" to do so. He noted, however, that all these charges of protectionist practices will be taken up in the Uruguay round of the GATT talks.

IMF Over Tax Collection Estimates

PY2109041893 Buenos Aires CLARIN in Spanish 11 Sep 93 p 23

[Text] The IMF mission that came to our country to supervise the public accounts for the second quarter of the year concluded its task yesterday. Martin Hardy, head of the mission, took his leave of Buenos Aires but left two messages—he approved the targets accrued over the semester, but left the warning lights on concerning the fiscal performance during the second half of the year.

The passing grade given to the targets included in the extended fund facility arrangement caused little surprise, as it had already been anticipated by Economy Ministry Planning Secretary Juan Jose Llach.

In any case, the Finance Ministry had to resort to an "accounting stratagem" to get the IMF approval—it fell back on the operating surplus obtained in the first quarter of the year. It had to do this because the fiscal target for the second quarter was $165 million short of the amount that had been agreed upon.

The fiscal targets for the second semester are even more exacting. They add up to $2.179 billion, divided as follows: $1.145 billion in the third semester of this year, and $1.034 billion in the fourth.

The doubts that Hardy raised to Minister Cavallo's economic team now have to do with tax collection estimates for the remainder of the year. The IMF fears above all that the promised reduction in social security contributions by employers will result in dwindling tax revenues.

Another card that the members of the IMF mission laid on the table was the implication of the fiscal pact promoted by the economy minister. They estimate that a global tax reduction would result in an annual transfer of some 2 billion pesos to the private sector.

Finance Ministry officials tried to play the issue down. Cavallo himself came out in his own defense, from London, stating that the collection of social security contributions will increase rather than decrease if the government continues to combat tax evasion.

Cavallo estimated that at present only 6 million workers are registered in the contributory pension scheme, but that the number of workers should be 10 million. It follows, then, that the difference corresponds to the number of workers that are on an "undeclared" payroll.

Public Revenues Secretary Carlos Tacchi also advanced an answer to dispel Hardy's fears. Yesterday he said: "We already are in a position to monitor in real time 93,000 social security taxpayers and 300,000 value added tax [VAT] taxpayers."

During his talks with IMF experts, Tacchi endeavored to show optimistic estimates. He asserted that it will be possible to monitor 600,000 VAT taxpayers and 300,000 social security taxpayers by the end of the year.

Llach told EL CLARIN that "the IMF no longer doubts that our tax collection estimates are trustworthy, and that we will be able to meet those targets even though employers' contributions are reduced. What's more, they even agree with this measure."

The panoply of arguments advanced by the Finance Ministry to support the aforementioned argument is to some extent based in the increase in tax revenues as of July. The performance, which then reached an all-time level, was repeated in August.

Anyhow, Llach managed not to fall prey to overoptimism, and while stating that the trend will be maintained he admitted that "the increase in tax collection this semester will serve to offset the drop in revenues we had in the first half of the year."

Llach, a member of the Mediterraneo Foundation, tried to cool down expectations about Cavallo's participation in the joint IMF- World Bank annual meeting to be held in Washington at the end of the month.

"We do not intend to ask for additional financing from the IMF. The only credits that we are negotiating are a $1 billion loan with the Inter-American Development Bank, and with the World Bank for sectorial loans, which will be channeled through the BICE [International Bank for Economic Cooperation]," he explained.

Bolivia

President Sanchez de Lozada Declares Ministry Law

PY2109032893

[Editorial Report] La Paz Television Nacional Network in Spanish at 2230 GMT on 17 September 1993 broadcasts live and in progress from Government House in La Paz a 48-minute ceremony promulgating the decree on ministerial reorganization. The ceremony is headed by President Gonzalo Sanchez de Lozada, with the participation of the entire cabinet, congressional and political party leaders, and members of the Armed Forces.

Presidential Minister Carlos Sanchez reads the decree containing 31 articles which describes the tasks of each ministry, and then the decree by which 10 ministers are appointed to their positions under the new ministerial organization.

President Sanchez de Lozada then delivers a 10-minute speech in which he notes that the promulgation of the ministerial reorganization decree is a very important step toward change. Sanchez de Lozada says that the new ministerial reorganization is the tool needed to fulfill the government program, and thanks Congress for approving the ministerial reorganization bill and all the ministers for accepting membership in his cabinet. President Sanchez de Lozada points out that this the first constitutional change made to the executive power organizational law since 1888.

Sanchez de Lozada adds: "We cannot ignore that Bolivia, in putting the social sectors under a single ministry, the Human Development Ministry, is the first Latin American country that is trying to carry out human development in an organic, coordinated, and effective manner. And I know that this is what the people want, after decades of not having effective service or an orientation really sensitive to their demands. Bolivia is the first Latin American country to leave the old planning mold to enter into sustainable development, which is based on respect for the environment, but which at no time means stopping development, and economic and social growth. This will allow us, in fact, to face economic and social development within the framework of real coexistence with nature. We will not forget that nature takes revenge in a cruel manner against those who hurt or ignore it. I believe this a step that should really makes us proud."

Sanchez de Lozada also says that important steps will be taken in the areas of justice and social communications to help the public, through the judicial power, to become the owners of their own destinies. Regarding national defense, the president says that the Armed Forces will have a new role, without ignoring constitutional precepts.

Sanchez de Lozada concludes by saying: "The important aspect of the law promulgated today is that we are adapting the executive power to a new reality, to a new world. This new reality is a state that becomes more of a regulator and deregulator than an administrator of the supply of services and goods." He adds that this is a long and decisive journey for change.

After the speech, President Sanchez de Lozada administers the oath of office to the ministers. Interior Minister German Quiroga then speaks on behalf of the ministers, thanking the president for his trust, and expressing the cabinet's will to work hard to fulfill the president's goals.

Approved by Congress

PY2109025393 La Paz Radio Fides Network in Spanish 1100 GMT 16 Sep 93

[Text] Yesterday, the Senate passed the new law reforming the executive branch [approved by the Chamber of Deputies on 14 September] and all that remains is its proclamation by the executive branch.

This means there will be 10 ministries in our country. According to the law, the president will be able to appoint up to two ministers without portfolio, no more. The Bolivian Government's 10 ministries will be the following:

Ministry of Foreign Affairs and Worship

Ministry of Government

Ministry of National Defense

Ministry of the Presidency

Ministry of Justice

Ministry of Finance and Economic Development

Ministry of Human Development

Ministry of Sustained Development and Environment

Ministry of Labor

Ministry of Social Communications

Official on Destruction of Cocaine Laboratories

PY2109041693 La Paz PRESENCIA in Spanish 10 Sep 93 p 7

[Text] The FELCN [Special Antinarcotics Forces] have destroyed cocaine factories in the Chapare region. The laboratories were located a few kilometers from Villa 14 September, and produced 100 kg of drugs per day. The Social Defense Under Secretariat expressed satisfaction over the FELCN operations, and stressed its condemnation of "King" Luis Salomon.

Social Defense Under Secretary Enrique Soria reported yesterday that the FELCN destroyed two cocaine paste laboratories in the Chapare Region, admitting, however, that no one was arrested in the operation due to the warning given by alleged "watchmen." The laboratories were located near Villa 14 September, in the section of the Chapare region inside Cochabamba. According to the first report, the laboratory had been operating for three months.

"Considering the size of the installations, it is presumed that the laboratory produced between 80 to 100 kg of cocaine per day," Soria said, adding that the FELCN did not arrest any drug traffickers "because, regrettably, drug traffickers have watchmen, who warned them of FELCN actions."

According to the official report, police seized large quantities of precursors, and found various maceration pits and "pitillos," that is, cigarettes prepared with cocaine paste, presumably for use by laboratory workers.

The preliminary report says that considering the size of the installations at least 35 individuals "worked" in the laboratories. Workers had their dormitory near the river, which was contaminated with chemical waste.

Asked about the possible participation of Villa 14 September villagers in a cover-up of the laboratories, as suggested by some antinarcotics officials, the Social Defense under secretary said that the allegations had not been proven. "We do not think neighbors participated, but we are worried about the size of the laboratory. I would not dare involve anyone," Soria said. The under secretary added, however, that "the people are easy prey for drug traffickers" considering the region's unemployment and lack of economic resources.

Soria said that the 20-year sentence issued by the Santa Cruz Controlled Substances Court against drug trafficker Norberto "King" Salomon reinforces the fight against this criminal activity. "The decision shows that judges are issuing sentences according to the gravity of the crimes, and that they are assuming their role of administering justice with more responsibility," Soria added.

According to the sentence, Salomon Soria and other individuals involved in the case must serve their sentences in the Palmasola prison, in Santa Cruz, and pay a fine of 20,000 bolivianos and trial expenses to the state. The sentence ordered that all assets seized from the drug trafficker, consisting of five country properties, two buildings, one light plane, two vehicles, arms, cattle, and other properties, must benefit public charity organizations.

Soria noted that one of the greatest shortcomings of the judicial system in the area of drug trafficking is precisely the handling of assets seized from drug trafficking gangs. Soria recognized that in "King's" case the organizations responsible for administering the seized assets "did not fulfill all of what is ordered by Law 1008."

As a way to improve this situation the social defense under secretary announced that his office has sent a draft resolution to the executive branch permitting the national and international auctioning of assets seized from drug traffickers. "We have not talked about a private institution to take care of this responsibility, but we are determined to see that a responsible organization is in charge of administering these assets, because what is important is to act with clarity," Soria concluded.

Mining Leaders React to Mineral Price Crisis

PY2109025893 La Paz Radio Fides Network in Spanish 1100 GMT 16 Sep 93

[Text] The atrocious drop in the prices of minerals is causing panic within the Bolivian mining sector.

Bolivian Labor Federation [COB] leaders said they demand that the government declares all national mining districts as natural disaster zones.

COB Organizational Secretary Rufo Rivera said the executive branch should strengthen the mining sector; stockpiling mineral concentrates, awaiting better days:

[Begin recording] This greatly affects the interests of our country, the Mining Corporation of Bolivia [Comibol], and, of course, the social and economic situation, especially the miners. This is why we are officially asking the government to declare all departments where minerals are exploited as disaster and emergency zones, within the framework of the agreements signed with the COB and Comibol. [end recording]

The Chamber of Deputies Mining Committee announced that the sectors most affected by the metal prices crisis are small miners and mining cooperatives. Committee member Lucio Felipe Bustamante said:

[Begin recording] [words indistinct] very worried. [Mining Vice Minister] Villalobos told us that he has been instructed by the executive branch not to grant any subsidies, especially not to bankrupt state mining companies. He told us that if they close, they close. Therefore I see the government policy is not to grant subsidies. We must seek other means of understanding. [end recording]

Meanwhile, Oruro mine leaders are asking the government to legalize cocaine as a way to offset the metal price crisis. Felipe Vazquez, COB leader for Oruro, said that the critical situation of the Bolivian mines, following the sale of 12,000 metric tons of tin by the United States, must be solved through the trade of cocaine:

[Begin recording] If the United States insists on selling its strategic reserves, we will formally suggest that Bolivia legalize the sale and trade of cocaine in response to the policy carried out by the United States. We have learned that the United States will market approximately 12,000 metric tons of tin from its reserve stocks. This is very negative for our mining activities. [end recording]

Brazil

Franco Receives Draft Creating Intelligence Agency

PY2109030193 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Sep 93 p 5

[Text] Brasilia—President Itamar Franco has received a draft proposal for the creation of the Federal Intelligence Center [CFI], which will be charged with collecting secret information for the government. The proposal was drafted in response to suggestions by the military ministers, the Strategic Affairs Secretariat (SAE), and by members of the Defense Committee of the Chamber of Deputies. The proposal suggests that the official appointed by the government to head the CFI must have his appointment confirmed by the Senate. A formula to make the CFI financially accountable to Congress is still under study. One of the drafters of the proposal said: "We are trying to do away with secret funds, like those used by the now defunct SNI (National Intelligence Service) to carry out criminal operations."

In accordance with preliminary discussions, the CFI will be periodically required to account to the National Defense Committee of the Chamber of Deputies. The problem with this is that military officers fear that members of this committee could leak national security information. The military wants assurances that no secret information will be leaked. Ministers and deputies are currently seeking a formula to safeguard this information.

One of the military's demands is that congressmen should not have access to CFI reports to the committee until after they have formally committed themselves not to disclose any national security information. One officer who is studying the subject said: "To disclose information affecting national security is a crime anywhere in the world." He added: "We are not making an absurd demand of Congress, we are just asking for its help to preserve our secret affairs." He believes that all committee members will be required to keep silent about national security information even after he has resigned or his term has expired. In late August, Deputy Jose Dirceu met with SAE officials to discuss ways to control spending.

The military ministers support the creation of the CFI. Its only opponent is Federal Police [PF] Director Wilson Romao, who wants the PF to control secret information as well, despite opposition from the military ministers.

Environment, Amazon Region Ministry Created

PY2109033793 Brasilia Voz do Brasil Network in Portuguese 1000 GMT 18 Sep 93

[Text] President Itamar has signed a provisional measure creating the Environment and Legal Amazon Region Ministry [Ministerio do Meio Ambiente and da Amazonia Legal]. The new ministry is the result of a merger between the Environment Ministry and the recently created Ministry for the Coordination of Actions in the Amazon Region. The new minister is Rubens Ricupero.

National Privatization Program Yields $9.5 Billion

PY2109014493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Sep 93 p B7

[Text] Rio—The government has already profited nearly $9.5 billion from National Privatization Program (PND) sales. Without including the amount yielded by the Minas Gerais Steel Company auction, which will conclude tomorrow, the sale of state-owned companies and of shares of companies included in the PND has totalled $5.9 billion. Only $137.1 million, or 2.3 percent of the

total, however, was paid for in currency. Although so little money has entered government coffers, by accepting the so-called rotten currency in the privatization auctions the government reduced its public debt by $5.7 billion. In addition to that it has transferred to the private sector the debts of the auctioned state-owned companies, which amount to approximately $3.6 billion.

Preliminary estimates show, however, that the balance is far from becoming positive, because throughout the years the federal government has contributed nearly $14 billion to the state-owned companies, while the dividends received from them have totalled less than $1 billion. As the revenue obtained so far through the privatization auctions totals $5.9 billion, the government shows a net lost of nearly $7 billion for having owned these companies. The debts the government transferred to the private sector by selling the companies are not included in this amount. From October 1991 on, the government privatized 23 companies, and still has another 33 to sell which are legally included in the PND. Since the beginning of Franco's administration, the government has sold seven companies, an average of one every 45 days. After the privatization of the Minas Gerais Iron and Steel Company, which was the first one Collor privatized, during his administration the average was more than one per month.

Since Franco's installation, the PND has had some accentuated setbacks, all of them involving the Brazilian Petroleum Corporation system. The Petrobras Fertilizer Company [Petrofertil], a holding in the state-owned fertilizer sector, should have been dismantled through the sale of all of its shares, but the government withdrew Nitrofertil [expansion unknown] from the program, and plans to transform Petrofertil into a new state-owned company in charge of controlling oil pipelines.

Port Privatization Begins 8 Oct

PY2109024893 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 16 Sep 93

[Text] The privatization of Brazilian ports will begin on 8 October with the sale of Itajai Port in Santa Catarina, Porto Velho Port in Rondonia, Laguna Port in Rio Grande do Sul, and Cabedelo Port in Pernambuco.

Transportation Minister Alberto Goldman said the privatization of Brazilian ports will solve the crisis confronting the sector. He added that all 84 ports in the country will be privatized.

Supreme Court Temporarily Bars IPMF Collection

PY1609204093 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Sep 93

[Report by Salette Sodreira]

[Text] The Federal Supreme Court, STF, has suspended collection of the Provisional Tax on Financial Operations, IPMF. Taxpayers nationwide are temporarily exempted from paying the IPMF. This decision was made this afternoon by the majority of STF justices. Agreeing with Justice Sydney Sanches' vote, the justices upheld the preliminary injuction granted to the National Confederation of Commerce Employees when they requested that the implementation of the law creating the IPMF be suspended.

According to Justice Sanches, the IPMF collection will remain suspended until the STF definitively decides on the issue. The IPMF's merit will be decided either before December or not until February 1994; the date depends on how long the president of the Republic, the president of the Senate, and the Chamber of Deputies leader take to send to the STF the data necessary for the trial.

Suspension Forces Budget Cuts

PY2109020893 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 16 Sep 93

[Report by Brasilia correspondent Maryluce Vilela; first paragraph is announcer's introduction]

[Text] Today Finance Minister Fernando Henrique Cardoso said that the administration will change the disbursement dates for this year's budget because of the Federal Supreme Court's decision to suspend collection of the Tax on Financial Operations, IPMF.

[Vilela] The IPMF lasted only 21 days. During the first week it was in effect, it yielded 9.2 billion real cruzeiros for the coffers of the administration. Now that the tax has been suspended, taxpayers no longer need to discount 0.25 percent every time they write a check.

Minister Cardoso refused to grant a recorded interview, but he reported that the administration made its position on this issue clear through last night's presidential press release. In this release the administration indicated that it will have to cut expenses and the minister explained that this year's budget will have to be cut. He said that the disbursement timetable will have to be changed, including the funds for the creation of jobs in the northeast and for hospitals.

Asked whether the money collected through the IPMF will be returned, the minister answered that the Federal Supreme Court will have to decide how this will be done when it examines the merit of the case. The minister emphasized that the IPMF was established based on a constitutional amendment, which had been approved by Congress.

Lack of Agreement With IMF Postpones Debt Swap

PY2009232293 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Sep 93

[Text] The difficulties encountered by the Brazilian Government in reaching an agreement with the IMF will slow down the rescheduling of Brazil's external debt. In light of the failure to reach a settlement with the IMF,

the Brazilian Government, the IMF, and the committee of creditor banks have decided to postpone the deadline for swapping Brazil's old debt for new bonds to be issued by the Brazilian Treasury. Central Bank President Pedro Malan reported that this deadline, which was to have expired on 30 November, has been put off for another three months at the latest.

PRC, Brazil To Build Two Satellites

PY2109022793 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 15 Sep 93

[Text] Brazil and the PRC have signed a contract for the construction of two satellites, worth $150 million. The satellites will be developed by the National Institute of Space Research and the PRC Space Agency.

The data collected by the two satellites will be used for agriculture, geology, hydrology, and the environment. The satellites can collect data from the entire planet. Science and Technology Minister Israel Vargas stated that the first Chinese-Brazilian satellite will be launched in three years.

[Begin Vargas recording] A large number of Brazilian industries and institutes, as well as PRC ones, are involved in manufacturing components for this satellite, which will probably be launched in 1996. [end recording]

Minister Vargas said that the Brazilian Government will use resources from the privatization of state-owned companies to finance the project. Brazil and the PRC will recoup the $150-million investment by negotiating communication channels with other countries.

Petrobras, French Firm Sign Deal for Russian Oil

PY2109022093 Rio de Janeiro O GLOBO in Portuguese 10 Sep 93 p 26

[Text] On 1 September, Petrobras [Brazilian Petroleum Corporation] and the French trading firm Sucden Kerry signed a document of intent that could represent trade deals of up to $1 billion per year between Brazil and Russia. According to this protocol, Petrobras may import up to $500 million of oil and oil by-products per year from Russia, through Sucden. In exchange Sucden will sell Brazilian products in Russia, such as sugar, food products, and equipment, also worth a maximum of $500 million.

Petrobras trade director Roberto Villa said that the business deals between the two countries have yet to be examined. According to him, Petrobras must evaluate the suitability of each business proposal. Besides this, Petrobras will be the only one to negotiate the oil prices directly with the Russian Government. Sucden will be paid in real cruzeiros. The contract will last six months and may be renewed for six more months.

According to the agreement, at least 15,000 barrels of oil or oil by-products must remain in the hands of Petrobras. The rest may be resold on the international market. Roberto Villa said that this does not mean that Petrobras will again follow an oil importation policy demanding complementary trade. Despite saying that the purchase of Russian oil will not be conditioned to complemetary trade operations, the protocol does foresee that at least 65 percent of the products imported by Russia through Sucden must be of Brazilian origin.

The Sucden Kerry trading firm operates traditionally in the sugar market, and has been trading with Russia for the past 20 years. Roberto Villa warns, however, that the distance between the two countries may increase the transportation costs for Russian oil imports. According to him the operation would be more interesting if Petrobras could resell the oil purchased in Russia on the international market.

Amazonas Police Form Unit, Fight Drugs, Smuggling

PY2109044693 Brasilia Voz do Brasil Network in Portuguese 1000 GMT 18 Sep 93

[Text] The Amazonas State Federal Police have established a mobile police station to fight drug trafficking and contraband on state rivers.

The police station was built on a ship equipped with computers and sophisticated weapons. The 10 specialized policemen on board will have two dogs with them to detect marijuana and cocaine.

New Ambassador Appointed to United States

PY2109001693 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 20 Sep 93

[Report by Renata Verissimo from Planalto Palace]

[Text] President Itamar Franco has nominated Ambassador Paulo Tarso Flecha de Lima as the new Brazilian ambassador to the United States. He will replace Rubens Ricupero, who has been sworn in as special minister for the Amazon region.

For the last three years Paulo Tarso Flecha de Lima was ambassador to the United Kingdom. He also was Foreign Ministry secretary general and interim foreign minister during the Sarney administration. The new ambassador's nomination already has been sent to the Senate, which should approve his appointment in the next few days.

Franco Asks Government Officials To Stay in Posts

PY2009233793 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Sep 93

[Text] In a letter sent to each of the three government officials who tendered their resignation on 13 September—Transportation Minister Alberto Goldman, Labor

Minister Walter Barelli, and Senate government leader Pedro Simon—President Itamar Franco urged them to stay in their posts.

The two ministers and the government leader in the Senate had decided to offer their resignation to the president until the PMDB [Brazilian Democratic Movement Party) decides whether it will continue supporting the government.

But when Coutinho Jorge and Jose Antonio de Barros Munhoz resigned their posts as environment minister and agriculture minister, respectively, Franco did not ask them to continue in office.

Franco's decision to send the letters, in which he praises the efforts by the ministers and the government leader, is seen as a move toward minimizing his administration's problems with the PMDB. Franco stressed that the issues the government has to overcome are more important than political or party ones.

Colombia

Military Commander on Army Restructuring, Purge

PA2009201493 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 17 Sep 93

[From the "National Newscast"]

[Text] In Santander, General Ramon Emilio Gil Bermudez, commander of the military forces, has confirmed that the Army will begin a restructuring and purge process similar to that being undertaken by the police. What does not cease to amaze us is that once again, as occurred with the police, this will not be done according to the law, but through the extension of special powers.

[Begin recording] [Gil] We will review the regulation on disciplinary measures. We are doing this because it is important that we abide by the constitution.

[Unidentified reporter] What will the restructuring mean?

[Gil] It will be a general review of regulations on disciplinary measures, classification, and qualification. That review will determine what must be changed in order that we conform to the national constitution. [end recording]

Drug Police Oppose U.S. Proposal To Suspend Aid

PA2009171193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 18 Sep 93

[From the "NTC News" newscast]

[Text] Narcotics Police Director Colonel Teodoro Campo has stated that remarks made by the U.S. National Security Council on the ineffectiveness of the drug struggle in Latin America are unfair.

The Colombian Narcotics Police today rejected the U.S. National Security Council proposal to suspend economic aid for the drug war in Colombia. The Narcotics Police say that, although it is true that less cocaine has been seized this year, many policemen have been killed, and, therefore, this measure is unfair to those policemen involved in the struggle.

[Begin Campo recording] As far as Colombia is concerned, we have complied above and beyond what has been requested of us in the war against drug trafficking. I do not want to mention the number of victims we have sustained in this struggle. [end recording]

The police are aware that this measure is fatal in terms of their efforts to suppress the mafia. The drug police do not have the resources to confront mafia operations by themselves.

According to the drug police director, the economic assistance that amounts to $20 million serves to pay for fuel for airplanes and to provide maintenance for units stationed in places such as Huila, El Cauca, the Eastern Plains, and the northern area of Colombia.

Sanin: Foreign Nations Give Guerrillas Credibility

PA2009165793 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 Sep 93

[Report from the "Up to the Minute Caracol" newscast]

[Text] Foreign Minister Noemi Sanin has harshly criticized the benevolent treatment that certain friendly countries, countries she did not name, are giving to the guerrillas. She reiterated that Colombia opposes the diplomatic status given to members of the Guerrilla Coordinating Board, which comprises members of the ELN [Army of National Liberation) and FARC [Revolutionary Armed Forces of Colombia].

Sanin stressed that there are countries that receive Colombian guerrillas and give them credibility, especially in terms of human rights issues. The guerrillas are practically treated as ambassadors and they present views on the country which are not objective.

She voiced her opposition to this and added that the government disagrees with foreign intervention in the internal affairs of other countries. She demanded respect for the people's self-determination and national sovereignty.

Security Council Extraordinary Meeting Held

PA1809135893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 18 Sep 93

[From the "24 Hours" newscast]

[Text] The deterioration of public order in Santander Department has forced the government into holding an extraordinary Security Council meeting in Bucaramanga. Urban and rural terrorism, attributed to guerrillas of the Army of National Liberation, ELN, is affecting the electoral campaign but will not prevent it, Government Minister Fabio Villegas said today.

The public order situation in Santander Department, which has deteriorated over the last few days, has forced the country's main authorities into holding a Security Council meeting in Bucaramanga in order to apply preventive measures. There, the defense minister announced that certain paramilitary groups are being reactivated.

[Begin Defense Minister Rafael Pardo recording] In certain areas, but not exclusively of Santander Department, there have been some attempts, at a strictly local level, to create vigilante groups. The number of these is neither too large nor is this an extensive situation. We have received this information and have acted against these organizations. [end recording]

It was also said that in Colombia there are no off-limit areas for the presidential campaigns but that instead the candidates should increase their security corps when they go to certain areas.

[Begin Villegas recording] There is no area in the national territory in which political campaigns cannot be conducted. This does not mean that there are no risks; this does not mean that precautions should not be taken. What we are doing today in Santander Department is, precisely, establishing mechanisms and procedures for politicians to have due protection during their trips to any corner of the national territory. [end recording]

1994 Budget To Be Cut From Institutional Deficits

PA1709155693 Santa Fe de Bogota EL NUEVO SIGLO in Spanish 9 Sep 93 p 8

[Text] The 1994 budget, estimated at 14.4 trillion pesos, will be cut by more than 300 billion pesos as a result of deficits in certain institutions, including the National Coffee Fund [FNC], Carbocol [Colombian Coal, Inc.] and Ecopetrol [Colombian Petroleum Enterprise].

Finance Minister Rudolf Hommes said these deficits could raise the fiscal deficit to 2.15 percent in relation to the GNP [gross national product], which disagrees with the stabilization policy implemented by the Bank of the Republic's board of directors.

If the expenditures of deficit-showing institutions, such as the FNC, the Medellin Metropolitan Railway, and the electricity-generating sector, are not reduced drastically, the budget deficit could reach close to 1 trillion pesos.

Implementation of the social security fund reforms also contributes to increasing the 1994 budget by some 40 billion pesos. Approximately 400 billion pesos, which are out of the budget, are required to enforce the general education law. In addition, the minister has announced that the national planning office has signed for a $150-million loan, which will be channeled to the secondary school sector, to raise the coverage from 46 to 70 percent.

Of this money, $90 million will come from a World Bank loan, which will be used to create 400,000 new teachers positions during the next five years. Transportation, defense, and road construction needs will be met with the remaining $60 million.

The minister made these announcements during the joint meetings of the Senate's and Chamber of Representatives' third and fourth commissions, which are discussing the proposed budget for 1994, estimated to be 14.4 trillion pesos. According to the minister, the proposal is encountering many difficulties, but he expects to surmount them with the parliamentarians' assistance.

* Samper Proposes Suspension of Social Security Debate

* Proposes Forum

93SM0428A Santa Fe de Bogota EL TIEMPO in Spanish 20 Aug 93 pp 1, 8A

[Text]

Samper Request Causes Major Stir

Presidential candidate Ernesto Samper's remarks about the social security bill have caused confusion and a major stir.

Samper said last Wednesday that he and a group of Liberal Party lawmakers had agreed to suspend discussion of the reform until a forum in which all segments of society could express their views on the bill could be held.

Many interpreted this proposal as an attempt to halt discussion of the reform. Others felt that the Liberal candidate had made a mistake in proposing to suspend the debate without making it clear how much time he thought would be needed to listen to the opinions of all interested sectors.

The debate is not going to be suspended, however. Labor Minister Luis Fernando Ramirez; the sponsor of the bill, Alvaro Uribe, and the president of Congress, Jose Ramon Elias, asserted that the debate would begin next week in the full session of the Senate, because the problems relating to the wages and pensions of Colombians must be resolved.

Referring to the request by the Liberal presidential hopeful, Ramirez Acuna said that "we cannot frustrate Colombians by putting the issue on ice."

He urged Samper and anyone else who disagrees with the bill to make their comments and recommendations in

the Congress of the Republic, which he felt is the most appropriate forum for this purpose.

Liberal Senator Alvaro Uribe indicated that the presidential hopeful's concern about the issue is very understandable because he has stressed the solidarity of the new model, the expansion of coverage, and payment of the actuarial debt.

He said that Samper's remarks should be construed as an attempt not to stop the bill but rather to expand the degree of consensus. "This bill does not have a political bias, and therefore the tab cannot be passed on to anyone," the lawmaker emphasized.

Great Confusion

Some political observers said that it was contradictory for Samper to try and halt discussion of a bill that two of his closest colleagues had promoted: Alvaro Uribe Velez and Fernando Botero Zea.

In addition, others were of the opinion that it was absurd to promote another forum for discussing a bill the debate on which began more than a year ago. During this time organized labor, management, and the government itself have had every opportunity to express their views.

According to the statements of Ernesto Samper's campaign, he asked the Liberal Party legislators to order a recess in debate on the bill in order to hear the most recent proposals from trade groups, unions, and pensioners at an open forum.

Samper's advisers also clarified that the forum in question is planned for this coming Wednesday and that its primary purpose is to have the members of the legislative committee that is studying the bill hear the objections and suggestions that the above groups may have in this regard. He said that he does not agree with the administration's approach of making decisions without bearing in mind the opinions of the citizenry.

Responding to the criticism by several legislators that it would be impossible to build a consensus around this bill, candidate Samper asserted that it would at least be worthwhile to bring the different positions, which even exist within his movement, closer together.

Pro-Samper representative Maria Cristina Ocampo, a member of the Seventh House Committee, said that the logical thing would be to hold a national debate to build a consensus that would insure the necessary backing for such a delicate reform.

Among the ranks of the New Democratic Force, a movement that takes its lead from presidential aspirant Andres Pastrana, Samper's proposal was criticized harshly.

"The bill has been debated for a year and a half. Dr. Samper has just come from Spain and disparaged the work of Alvaro Uribe and Fernando Botero, two of his best friends, who have been leaders of and principals in the fruitful legislative debate," said Senator Eduardo Pizano.

Separately, Liberal presidential hopeful Humberto de la Calle said that Samper had placed a car-bomb in the path of the social security bill.

* Remarks Said Causing Friction

93SM0428B Santa Fe de Bogota EL ESPECTADOR in Spanish 21 Aug 93 p 6A

[Article by Carlos Murcia: "Winds of Crisis in the Government and the Parties"]

[Text] Santa Fe de Bogota—As the week draws to a close, the temperature is rising and winds of crisis are blowing through the administration and political parties, while the election campaign intensifies. We are seeing a crossfire, aggravated by a public feud between ministers.

A leader of the M-19 Democratic Alliance, Everth Bustamante, has called for a referendum on social security. He also said that Liberal presidential hopeful Ernesto Samper Pizano waited too long to stop his two "scouts" on this key administration bill by calling for a pause in the process when things were already too far along.

But Samper defended himself tooth and nail, asserting that his intention has never been to block the bill, which has become a banner of the Gaviria administration, and that he was merely calling for an in-depth, calm study of the objections that various sectors have voiced to him in recent weeks, in an effort to build a broader consensus.

"They have stirred up a tempest in a teacup, and on Wednesday, when the forum called by the Seventh Senate Committee is held to hear the trade groups, the workers federations, and the administration itself, which is not happy with its own bill, we will see that I was right. The most important thing is that the reform of social security and the pension system not be passed unless there is a true national consensus and unless everyone can voice an opinion," Samper said, give or take a word here or there, from Popayan.

Signs of a Crisis

Nevertheless, the statement that Samper had made 24 hours earlier in Cali, disclosing that he had suggested to the Liberal congressional bloc and to sponsor Alvaro Uribe Velez that they halt procedural action on the bill while the major national forum is held, brought a storm of protest from all political sectors and from the administration itself. Labor Minister Luis Fernando Ramirez, a Pastrana supporter, scowled. Gaviria spoke with Fernando Botero to see how things stood in the pro-Samper opposition, and Botero clarified that this was not a depth charge to sink the bill but rather an attempt to save it. It is not known whether Gaviria bought this.

Resignation in the Offing

At the same time, presidential hopeful Samper Pizano was caught up in another controversy, one having to do with the letter that Agriculture Minister Jose Antonio Ocampo sent Finance Minister Rudolf Hommes to complain that his ministry had not been taken into account in the formation of the new Coffee Commission.

On this point Samper said that the president is on the agriculture minister's side but that this is not the case with the members of the economic team led by Hommes. Under these circumstances, he is of the opinion that the presence of a minister is not justified. Analysts believe that this has precipitated a crisis, although Minister Ocampo said from Santa Marta that he was not planning to resign but was expecting a reasoned response from the finance minister that would clear up the questions about the importance of his role in dealing with the coffee issue. Minister Hommes, however, fired off a harsh reply from Cartagena, although to calm his colleague's angry reaction he indicated that a new decree would be issued to include a spokesman for the Agriculture Ministry on the technical commission of experts.

Both issues, the reform of social security and the coffee matter, were on the verge of creating a ministerial crisis, which as of yesterday evening seemed to have been staved off, to judge by the remarks that President Gaviria and the ministers made on the coast. Deep down, however, the strained feelings that have begun to develop between the administration and the Samper campaign have not been allayed, perhaps because of the criticisms that the Liberal presidential hopeful has been voicing of several official policies, mainly farm policy, the economic liberalization program, and the social strategy. In spite of Samper's criticisms of the economic liberalization program, the finance minister contends that he can guarantee that none of the presidential hopefuls will dare reverse this policy, although their criticisms are hurting and causing uncertainty for foreign investment.

One Candle for Each Saint

The legislators who are behind Samper, 102 according to the count cited by the candidate, are caught between the devil and the deep blue sea because they do not know which side to take in these controversies: Gaviria's or Samper's. The problem of political loyalties was almost driving them crazy when the torpedo fired at the reform of social security and the pension system went off. Thirty-three Liberal senators went to the Palace to pledge to Gaviria that as of Tuesday or Wednesday of next week they would speed up work on this important bill, which has already been passed by the Seventh Committees. But as they left the Palace, the light breakfast with the president almost caused them indigestion when they learned that Samper had put the brakes on this bill.

President Gaviria declared from Cartagena that there was no reason for the controversy that has arisen over Ernesto Samper's proposal to hold a forum to look into the social security bill that Labor Minister Luis Fernando Ramirez, the spokesman for New Democratic Force, is promoting in Congress.

"I am confident that it will come out of that forum stronger and that there is not going to be any protest that will hurt or hamper it," Gaviria said, ruling out a confrontation with Samper. He stated that since this is the most important social legislation that the Congress has taken up in recent decades, it is to be expected that there would be concerns and disagreements in various opinion sectors, such as trade groups and labor federations.

On the other issue, coffee, the president backed Jose Antonio Ocampo, the pro-Samper minister, in the complaint that he voiced to Finance Minister Rudolf Hommes. He was trying to thus put out the fire that had started to burn in his cabinet, while Hommes shrugged his shoulders.

A few days ago Samper was taunting Gaviria with his criticism of how the vulnerable textile sector is being treated and also when he offered to withdraw his ministers so as to make it easier for Carlos Lemos to enter the primary. The comment being heard today is that Ernesto Samper seems more interested than Andres Pastrana in leaving the cabinet.

Political Reactions

The reaction to Samper's proposal about the social security reform has been quite varied. There is no uniformity in this connection in the M-19 Democratic Alliance. Leader Jose Cuesta Novoa backed the Samper position and called for the resignation of Labor Minister Luis Fernando Ramirez for stubbornly trying to pass a bill behind the country's back.

Presidential nomination seeker Humberto de la Calle said from Taiwan that Samper's statements are like a car-bomb in the path of the social security reform.

Rodolfo Gonzalez Garcia said from Medellin that Samper was taking ambiguous stands on various issues so as not to offend anyone.

The chairman of the Conservative Board of Directors, Jaime Arias, confirmed his defense of the bill passed by the Seventh Committees, "where a balance was struck between the aspirations of workers and employers and between the administration's initial proposal and the changes introduced by the various political sectors represented in the National Congress." He said that "Samper's and his congressional group's attitude is surprising because at one time they supported the reform and now they seemingly do not know what position to take on the complaints by some employers and certain unions."

Presidential hopeful Carlos Lemos joined in the controversies, stating that the creation of the Joint Commission

shows that the administration wants "to make coffee policy without the coffee growers."

Peru

Government Extends State of Emergency

PA1709184193 Lima Radio Programas del Peru Network in Spanish 1811 GMT 17 Sep 93

[Text] The government, at the request of the Armed Forces Joint Command, has extended the state of emergency in Coronel Portillo and Padre Abad Provinces in the Ucayali region. The state of emergency extends to Ucayali Province in Loreto Department and Puerto Inca Province in Huanuco Department.

Suspended, therefore, are such constitutional guarantees as the right to hold peaceful meetings without weapons, the inviolability of ones residence, and free circulation throughout national territory.

The Armed Forces will continue to control internal order and direct counterterrorist activities until the area's total pacification is achieved, according to a decree published in the gazette EL PERUANO.

Fujimori Confident of U.S. Commitment to Drug War

PA2009200993 Madrid EFE in Spanish 1659 GMT 20 Sep 93

[Text] Lima, 20 Sep (EFE)—Peruvian President Alberto Fujimori said today he is "certain" the United States will make "positive" changes in its drug policy and will not give up the struggle. Fujimori thus downplayed the importance of the upcoming drawdown of DEA agents who had been advising Peruvian security forces, as confirmed by the U.S. Embassy last week.

Embassy Political Counselor [title as received] Sherman Hinson stated on Friday the DEA will withdraw its personnel from Santa Lucia Base, Huallaga Valley but will keep its materiel and equipment there and maintain an office in Lima.

The Peruvian president declined to comment directly on the DEA drawdown but said he is certain the United States will reorganize its whole strategy "not to abandon the war on drugs but to make it more effective, as has always been requested."

The Bill Clinton administration has cut aid to Andean cocaine producing countries, which has prompted the DEA's drawdown, as a DEA spokesman reported last week. The Clinton administration has yet to define its policy on drugs, something that Peru is eagerly awaiting, as it is the world leader in production of coca leaves, used in the manufacture of cocaine. Last week, however, the U.S. media reported that Clinton has apparently proposed attacking and destroying laboratories where the drug is made in the Andean region with active participation by military forces.

Lima Bar Association Dean Jorge Avendano today criticized that possibility and said that if true "we would be facing a counterproductive and terrible decision." "This procedure entails a repressive policy that is much more radical that the one implemented by the George Bush administration and counters one of the promises made by candidate Bill Clinton regarding a different policy on the war on drugs," Avendano indicated.

In 1992, the Peruvian Government launched its biggest offensive ever on drugs and has succeeded in reducing by almost 60 percent mafia activity in the Huallaga Valley, but drug trafficking remains strong, as Fujimori acknowledged.

The police and Armed Forces are participating, the Air Force (FAP) in particular, in this offensive. According to a top FAP officer, it is operating with "its own resources, thus imperiling its training programs and the operational capacity of its aircraft." The drug traffickers have moved into the jungle in the southern part of the country, and security forces lack the means to move about with the same ease, because the state has few resources and foreign aid is limited, particularly from the United States, which has curtailed its aid since 1992.

The Office of the Prosecutor has named Lima prosecutor Pablo Sanchez as its representative in the office created by the government to control the sale of chemicals used to make cocaine. Interior Minister Juan Briones said last week that a program will be implemented soon to maximize restrictions on the use of those chemicals and noted that if the proposed goals are met drug trafficking "will drop from 40 percent to zero" nationwide.

Army Chief, Unions on DEA Withdrawal

PA1809134893 Lima Global de Television Network in Spanish 0100 GMT 18 Sep 93

[From the "Direct Line" newscast]

[Text] Congressmen of different blocs have demanded that the U.S. Government assume its responsibility in the struggle against drug traffic. This is in regards to a report from the U.S. Security Council according to which DEA agents will leave Peru due to a lack of funding. General Nicolas de Bari Hermoza, chief of the Army's Joint Staff, also commented on this affair:

[Begin recording] [Hermoza] I believe this affair deserves an evaluation at the highest political level. Regarding the pacification process, it has no major importance, but regarding the struggle against illegal drug traffic, it will, naturally, have an affect.

[Congressman Antero Flores Araoz] Because the task has not been as effective as we all wanted, I believe we are in a normal situation with them, but we would be in a terrible situation without them.

[Congressman Victor Joy Way] What we do expect is that as a consequence of this reevaluation, the mechanisms for cooperation will be perfected so that they can

become more effective, but definitely they should recognize that this is a shared responsibility.

[Congressman Julio Castillo] This should not lead to the abandonment of the coresponsibility thesis, the coresponsibility commitment among consumer and producer countries. [end recording]

New Antidrug Strategy

PA1709164793 Lima Global de Television Network in Spanish 0100 GMT 15 Sep 93

[From the "Direct Line" newscast]

[Text] Interior Minister Juan Briones Davila accompanied the participants of the first Inter-American Meeting on Alternate Development, being held in Lima, to a visit to the Alto Huallaga area where projects and investigations are being conducted to substitute coca plantations.

Briones announced that within Peru's new antidrug strategy controls on chemical products will be given priority and the repressive actions will be intensified to end cocaine trafficking.

A delegation, headed by the interior minister and formed by foreign participants to the first Inter-American Meeting on Alternate Development, arrived in Santa Lucia to visit the pilot center for agricultural substitutes of the project for the Control and Reduction of Coca Plantations in Alto Huallaga, Cora, which has achieved its goal in over 70,000 hectares up to now.

As we can see, this area is planted with berries, which are the natural habitat of the silkworm. The Interior Ministry's Cora project has been, for 12 years, furthering this kind of initiative for the substitution of coca plantations.

Although the results obtained in the past from this kind of project have not been favorable, substitution is now the most viable alternative for the coca-growing peasants, but they need economic support to develop their activity.

[Begin unidentified peasant recording] The problem is the market. We can have any product, but if we do not have a sure market, we achieve nothing. [end recording]

The delegation also visited the air base of the antinarcotics police in this hamlet in Uchisa, Tocache District. This is the operations center for the struggle against illegal drug traffic in the Alto Huallaga area.

[Begin Briones recording] I believe that if we get to efficiently control the precursor chemicals, we will reduce the problem of drug trafficking in our country by 30 or 40 percent. This is already a reality, because we have a computerized control system with the information, not only national but also international. This will allow us to have information regarding the imports of precursor chemicals from the moment they leave the country of origin until they reach our country and are distributed. There will also be a strict control on the precursor chemicals that are produced here in our country. [end recording]

Fujimori: Referendum To Gauge Government Approval

PA1909041893 Lima Global de Television Network in Spanish 0100 GMT 19 Sep 93

[Report by Fanny Curay for "Direct Line" newscast]

[Text] President Alberto Fujimori has told the citizenry that their approval or rejection of the constitution will signify either an approval or disapproval of the government's actions. Given that situation, the president advocated voting yes in the referendum, claiming that it will consolidate the national reconstruction program and peace process.

The president made the statement in an address to New Majority and Change 90 congressmen gathered at the Huampani Recreational Center, where the majority approved the campaign strategy.

Health Minister Jaime Freundt-Thurne, Education Minister Raul Vittor Alfaro, and New Majority and Change 90 congressmen attended the meeting, which began at 1030. The goal was to outline the strategy to be followed starting Monday to strengthen the campaign for the yes vote and to review the topics that will be emphasized when discussing the new constitution.

[Begin Congress President Jaime Yoshiyama recording] In addition to the 44 congressmen, representatives from all provinces and departments participated in the event. About 100 people have gathered here, basically to outline the ways to tell the people the good things about the 1993 constitution. I think we will be quite successful. [end recording]

President Alberto Fujimori unexpectedly arrived at Huampani Recreational Center at approximately 1300 to personally endorse the campaign for the yes vote. The head of state emphatically said that on 31 October the alternatives will be either an approval of the national development and peace process or a return to the status quo that prevailed until 1990.

[Begin Fujimori] We are facing a very important alternative, because it is a matter of approving the national reconstruction program and peace process. I am the first one responsible for this and [words indistinct]. [applause] [end recording]

The president emphasized that the people will cast their ballot in the referendum to approve or disapprove of his actions.

[Begin Fujimori recording] In sum, it is a matter of approving or disapproving of Fujimori. Peru's history does not begin in 1990. Some of our permanent critics are aware of that, and they are precisely the ones who were part of Peru's history until 1990. That is why I

believe, and it is necessary to say this out loud, that on 31 October there is a word that will begin a decisive chapter in the Peruvian people's history, and that word is yes. [applause] [end recording]

Fujimori Challenges Opposition on Accusations

PA1809021693 Lima Global de Television Network in Spanish 0100 GMT 15 Sep 93

[From the "Direct Line" newscast]

[Text] President Alberto Fujimori today challenged opposition politicians to prove the accusations they have made regarding the alleged use of public funds in the campaign for the [constitutional referendum] 'yes' and said that the versions about mishandling funds in the execution of public works were unfounded.

Committee For 'No Vote' Established

PY2109004493 Lima LA REPUBLICA in Spanish 4 Sep 93 p 4

[Excerpt] Yesterday the Civic Committee for a No Vote and for a Democratic Peru officially started its campaign against the approval of the new constitution drawn up by the CCD [Democratic Constitutent Congress]. The committee upholds a no vote against the constitution, which intends to consolidate an authoritarian and personalist regime, eliminate all the regions, neglect the provinces, and eliminate the peoples' rights.

The no vote is justified by the threats that an authoritarian political regime entails: It promotes corruption, centralization, generates greater poverty, and restricts basic rights, preventing the peace aspired to by all Peruvians.

The committee also upholds a constitution for all Peruvian citizens, and not just for a group of politicians or the president in power at the time.

The committee's working plan includes the establishment of a large number of committees for the no vote throughout the country; an intense sectorial effort to disseminate the draft constitution; and a request for the presence of organizations and international observers to guarantee the process.

The committee will also strive to make the law calling the referendum establish that it must be approved or rejected by a two-thirds majority [mayoria calificada] rather than by a simple majority, and will fight for an open referendum and free access to the media, so that there might be a national debate, free from discrimination, and so the public can monitor the referendum.

This announcement was made by the committee leadership, made up of Roberto Ramirez del Villar, Gustavo Mohme LLona, Javier Gonzales Olaechea, Ana Maria Yanez, Javier Tantalean, Carlos Chipoco, Teodulo Hernandez, and Nicolas Lynch. Lynch explained to the media the reasons supporting the no vote in the referendum on the constitution. [passage omitted]

Economy Minister on Foreign Debt, 1994 Budget

PA1709232093 Lima Global de Television Network in Spanish 0100 GMT 15 Sep 93

[From the "Direct Line" newscast]

[Text] Economy Minister Jorge Camet has announced that the financial indebtedness law will be issued during the first 15 days of October. He said the allocation of $3 billion [currency as heard] to pay the foreign debt might be readjusted, after announcing that renegotiation efforts with creditor banks were successful.

Camet was the first to address the Budget Commission in the annual exercise that the ministers of state and other public officials go through to justify the budget allocations assigned to their portfolios. He delivered a lengthy speech that did not include any major innovations.

During a three-hour speech before the Budget Commission, Camet said projected macroeconomic expenditures for 1994 will be moderate and will seek to preserve national peace, relieve the social crisis, and reduce poverty levels.

Camet also said the inflation rate estimated for 1994 is 25 percent with an exchange rate of 2.73 nuevos soles. Along the same lines, he said the inflation rate for September is expected to be around 2 percent.

Regarding the foreign debt, Camet said that so far this year, Peru has paid 550 million [currency not specified], of which only 140 million [currency not specified] went to the National Treasury while the rest went to foreign creditors.

[Begin Camet recording] I believe the amount estimated for foreign debt payments is 3 billion soles, but this is the highest amount. In our negotiations we were able to reduce this amount, and, as a result, we will allocate less money for this purpose when we prepare the 1994 budget. We had earmarked 800 million soles in the current budget for foreign debt payments, but actually we have spent only 320 or 350 million as a result of the improvements, write-offs, and reductions worked out in our negotiations. [end recording]

Costa Rican Foreign Minister on Bilateral Ties

PA1709151893 Lima Global de Television Network in Spanish 0100 GMT 15 Sep 93

[From the "Direct Line" newscast]

[Text] Costa Rican Foreign Relations Minister Bernd Niehaus has said it is not necessary to denounce the San Jose Pact in order to be able to apply the death penalty in Peru, as stipulated in the new constitution.

[Begin recording] [Niehaus] I consider there to be international legal tools that can avoid the need to denounce that. My country is in love with respect for human rights, our country is the headquarters of the Inter-American Human Rights Court, the San Jose Pact is thus named because it was signed in Costa Rica, and we, whole heartedly and with due respect, wish that Peru would not leave the pact.

[Unidentified reporter] What alternative is there to avoid denouncing the San Jose Pact?

[Niehaus] There are other international treaties, for instance, the Convention on Genocide, which could have an interesting legal view and which was signed and ratified before the pact. [end recording]

Peru and Costa Rica have decided to create a bilateral consultation mechanism, at the diplomatic level, in order to add dynamism to the relations between the two countries, as established by the agreement signed today by Costa Rican Foreign Minister Bernd Niehaus and his Peruvian counterpart Efrain Goldenberg.

The joint communique was signed at the end of the 48-hour visit by Costa Rican Foreign Minister Bernd Niehaus Quezada. This document formalizes the two countries' decision to create a bilateral consultation mechanism at the diplomatic level to add dynamism to the already existing relations.

[Begin Niehaus recording] We expect to sign the corresponding and definitive documents during a future visit we hope Foreign Minister Goldenberg will make our country. The Costa Rican Government has invited him to visit us and at that time we will finalize these agreements. [end recording]

Uruguay

Navy Commander Views Role in Post Cold War Era

PY2109035493 Montevideo BUSQUEDA in Spanish 16 Sep 93 p 18

[Excerpt] Vice Admiral James Coates, the Navy commander in chief, has stated that the Uruguayan Navy must be prepared to face emergencies or possible regional conflicts triggered by the instability following the end of the Cold War. He said the Navy should take advantage of Uruguay's geography and hydrography.

In an article written for the July issue of the "NAVY MAGAZINE," Vice Adm. Coates states that, within the framework of the "new path" confronting the Navy, "the end of the bipolar world, in which post-war generations lived, stares us in the face." He said: "Thus, an escalation of conflicts over territorial, religious, or ethics issues in which conventional weapons will be massively used looms ahead. These conflicts will surely result in great losses of civilian life and much destruction."

Vice Adm. Coates said this will happen "until the United Nations or regional endeavors work out ways to establish a new order. We must be prepared to take part in those solutions, lest our nation be left out."

Vice Adm. Coates' believes the Navy "should be alert to confront similar situations through deterrent policies that maximize the use of equipment with low purchase and operational costs, but of great destructive power," by taking advantage of the country's geography or, "more specifically," Uruguay's hydrography. He said: "It is as plain as the nose on one's face that we need to increase our mining and counter-mining capability, an essentially defensive element which, if the need arises, can become a strike force to neutralize specific objectives outside the area under our jurisdiction."

The Navy commander said: "The expected escalation of conflicts in areas like ours, which hold some economic interest for the important trade blocs, would be difficult to handle and would result in the United Nations taking too long to implement conciliatory actions. During this time the conflict would take a heavy toll in human lives and material losses." He added: "Thus, our Navy must maintain its operational capacity at sea through sovereign actions by its land, sea, and air units."

Vice Adm. Coates noted that those actions should be combined "with the permanent presence of scientific and logistic vessels to enable us to become better acquainted with the waters in which we will have to intervene and to enable our forces to undertake a totally autonomous operation." [passage omitted]

Interior Minister Discusses Drug, Arms Dealing

PY2109042493 Montevideo LA MANANA in Spanish 12 Sep 93 p 2

[Text] The issue of drug trafficking was the central topic of a meeting between the Interior Ministry and police chiefs from around the country. It is a growing problem because Uruguay is considered a "link" and a drug trafficking route. Besides, drug consumption has increased to dangerous levels in the country. Officials also are investigating a new drug trafficking network with possible links to terrorism.

Yesterday, Interior Minister Juan Andres Ramirez held a long meeting with chiefs of police from throughout the country at the Interior Ministry's session hall in order to review all items linked to the fight against crime and to analyze the essential preventive security measures necessary for the upcoming summer season.

According to reliable sources close to the ministry, there is an careful ongoing investigation into a new "international connection" dealing not only with drugs but also with contraband arms and terrorism. There was complete silence about the issue despite the fact that some

sources reported the presence in Uruguay of some "criminal operators," who allegedly are increasing their activities precisely because of summer's arrival and the massive influx of tourists from many countries. For the time being we will not reveal some information that could clarify the situation in order not to hinder police and Interpol investigations under way.

Preventive police measures for the summer will be adjusted in each department by local authorities. Without a doubt, the largest concentration of drug consumers and small- and medium-size traffickers move around Punta del Este and nearby resorts. Police will concentrate a large part of their human and technical resources in this city in order to fight drug trafficking and control drug consumption, particularly among youngsters.

Interior Minister Ramirez is analyzing the possibility of establishing concrete relations with other state secretariats in order to define operative policies to look after drug addicts.

Paraguay Agrees To Sign Economic Agreement

PY2109024593 Montevideo Radio El Espectador Network in Spanish 0930 GMT 16 Sep 93

[Text] Uruguay Foreign Minister Sergio Abreu and his Paraguayan counterpart, Diogenez Martinez, issued a joint communique yesterday evening in which they announced their intention to sign an economic complementation and cooperation agreement by the end of this year. A bilateral technical commission will be in charge of drafting the agreement. In the joint communique, Paraguay and Uruguay urged their neighboring countries, Argentina, Bolivia, and Brazil, to expedite negotiations to ratify the transportation agreement along the waterway comprising the Parana-Paraguay Rivers, Caceres port, and Nueva Palmira. Bolivia has been the first country to sign that agreement. Both foreign ministers stressed that the waterway will enable navigation along the Paraguay and Parana Rivers, some 3,500 km from Caceres port in Bolivia to Nueva Palmira port in Uruguay.

Sign Joint Declaration

PY2109035193 Montevideo LA MANANA in Spanish 17 Sep 93 p 5

[Text] The Paraguayan and Uruguayan foreign ministers have confirmed that relations between the two countries are excellent. Paraguayan Foreign Minister Diogenes Martinez made an official visit to the country yesterday. The two ministers analyzed diverse topics of general regional and world interest. Martinez confirmed his high esteem and friendly relations with his counterpart, Sergio Abreu, and stressed his country's wish to coordinate the two countries' actions in fields of common interest. The Parana Paraguay waterway and the use of Uruguayan ports are topics that need urgent solutions.

At the conclusion of Martinez' official visit, the two foreign ministers issued a joint declaration on current social, tourist, educational, and scientific issues.

The most urgent problems regarding the development of interregional trade and a sea outlet for Paraguay were stressed in a special chapter of the declaration signed at Santos Palace yesterday. One of the points mentioned the use by Paraguay of the ports of Montevideo and Nueva Palmira as an essential element of the two countries' bilateral trade. The ministers agreed to create a national commission in each country for the purpose of making an urgent list of all existing trade obstacles hindering the full use of the ports in order to eliminate them. The two commissions will have until 31 October to present their report and proposals to immediately solve all problems.

Regarding the waterway, it was decided to approve the schedule mandating the creation of the project's coordinating unit, which will have the cooperation of the IDB [Inter-American Development Bank], the PNUD [UN Development Program], and Fonplata [River Plate Basin Development Fund]. The ministers also agreed to insist before the waterway's signatory countries that they speed up the study of requirements for its immediate ratification in order to fulfill the project's objectives.

In the field of tourism the two ministers agreed to convene an annual meeting of official organizations based on the cooperation agreement signed in 1991 in order to define concrete programs.

Foreign Minister on GATT Rounds

PY2109020193 Montevideo Radio El Espectador Network in Spanish 1600 GMT 16 Sep 93

[Report by Cesar Barrios from mobile unit]

[Text] GATT Director General Peter Sutherland has arrived in Uruguay and met Foreign Minister Sergio Abreu, with whom he evaluated the considerations being made by the Rio Group.

We asked Minister Abreu what would happen if the GATT negotiations fail.

[Begin recording] [Abreu] ... unilateral decisions and attitudes by the countries with a strong economy and trade that may harm our interests. The products of our countries, especially Uruguay, need access to the markets, the dismantling of protectionist barriers, and mainly [words indistinct]... trade regulations to ensure our rights.

This round of talks demands concessions by all parties. However, the Latin American countries have made sufficient concessions that have demanded unilateral adjustments in our economies and great social sacrifices, including in the political field. We want a transparent opening so that our production sectors will not be

affected by the restrictive or protectionist measures adopted by developed countries.

[Unidentified reporter] Have not our countries made these adjustments [words indistinct] not only because the developed countries asked for them but because they promised that they would open their markets to our products?

[Abreu] Well no such compromise exists because no government will tie its economic policy to the promises of another country. A country simply makes the decision of adjusting its economy to follow the international pace of modernization and competition. [end recording]

Sutherland will meet this afternoon with President Luis Alberto Lacalle, and tomorrow he will receive a document being prepared by several Latin American economic advisers during a meeting with the Rio Group in ALADI [Latin American Integration Association].

Venezuela

Government To Annul Past Bilateral Trade Pacts

PA1809030393 Caracas EL GLOBO in Spanish 15 Sep 93 pp 1, 16

[Text] Venezuela will annul the bilateral agreements with Mexico, Central America, Argentina, Chile, and other countries signed during the government of former President Carlos Andres Perez; Mario Seijas, deputy agriculture and livestock minister, revealed this to VEN-PRES news agency on 14 September. This was decided in order to concentrate on trade integration negotiations within the Andean Pact.

The deputy minister said the decision was made as a result of an obligation imposed by Andean Pact members. From now on, the members cannot unilaterally sign agreements or make commitments with third nations. In other words, they must act as a single, solitary economic bloc.

"We are correcting this situation, therefore we have officially instructed the Foreign Trade Institute and the Foreign Ministry to initiate conversations to terminate the relevant commitments." He indicated that in this regard "the other nations comprising the Andean Pact do not permit negotiations to proceed, for example, if one of its members has bilateral commitments."

The explanation for this decision is that these agreements grant tariff advantages on certain products and to certain countries to the detriment of the Andean subregion.

With regard to the range of prices being discussed by Venezuela, Colombia, Ecuador, Peru, and Bolivia, Seijas said that the Andean Pact's deputy agriculture ministers will meet between 5-6 October in Ecuador to conclude the agreement on the pricing system. This agreement will be signed by the corresponding ministers 7-8 October in Ecuador.

This agreement consists of fixing maximum and minimum prices in agreement with price ranges on nine main products and 106 of their by-products and substitutes.

These prices will determine the value of the cost of the nationalized imports in the Andean Pact. "The idea is that in the future we can have an import tariff that will enable Andean Pact nations' products to be priced in a way that will allow the nations to produce without the inconvenience caused by international subsidies," the minister said.

The nine main products are white and yellow corn, barley, rice, sugar, poultry, pork, soy oil, and palm oil.

Velasquez Endorses Free Trade Agreement With Mexico

PA1909153093 Madrid EFE in Spanish 2348 GMT 18 Sep 93

[Text] Acarigua (Venezuela), 18 Sep (EFE)—Venezuelan President Ramon Velasquez today told EFE that his government will not hesitate to sign a free trade agreement with Mexico to go into effect in January 1994 within the framework of the Group of Three negotiations.

Velasquez told a group of journalists accompanying him to Portuguesa State, which is located in the northwestern part of the country and considered among the nation's most important agricultural areas, that his government will support all ongoing regional integration processes.

He also told EFE that although his country's main revenue comes from petroleum, Venezuela is aware it needs to reach new markets in the Andean region, Central America, and the Caribbean. Velasquez cited as an example an agreement reached by the auto industries of Venezuela, Colombia, and Ecuador in which they agreed to engage in trade exchanges that will consolidate economic opening.

The Venezuelan head of state admitted his country is facing difficulties, but he emphasized his government's main priority is to hold elections on 5 December. He also noted the next president will have to adopt important economic, political, and social measures required by the country.

Planning Minister Explains Fiscal Policy in U.S.

PA1809141393 Caracas EL DIARIO DE CARACAS in Spanish 15 Sep 93 p 19

[Text] Coordination and Planning Minister Hernan Anzola has traveled to Washington and Miami to

explain at the Center for Analysis of the United States of America the fiscal and economic policy of the current transition government.

The strategy does not involve making structural changes to the opening and modernization process of the Venezuelan economy, which is thought to be "indispensable for the country to follow a stable and orderly path toward an economic and social development process that can be sustained in the medium and long run."

The economic strategy of President Velasquez' administration will be based on three fundamental goals:

1. To resolve the cash flow deficit experienced by the National Treasury in the current year, which has hurt the government's normal cash payment operations.

2. To lay the groundwork to progressively solve in the medium term the public deficit problems and to provide the next government with a more solid fiscal and economic platform than the one the country has had in the last few years.

3. To promote agreement and dialogue without the government's compulsive intervention to resolve the conflicts that tend to emerge among the various private economic sectors as well as to face workers and institutions dependent on the public sector in their demands for better wages and more financial resources.

Anzola said the government took a fundamental step in implementing this economic and financial strategy when it asked Congress for special powers. This will allow for the approval of a series of laws of vital importance to overcome the delays experienced in implementing the structural reforms that are needed to prop up the economic modernization process.

According to Anzola, the revenue obtained from the new taxes, the sale of treasury bonds, which has been initiated in both national and international markets, the reduction of public expenditure as well as the negotiations initiated with labor groups and public sector associations will allow the government to resolve the difficulties of the National Treasury.

The medium-term strategy will be based on new taxes and the implementation of oil-related projects as well as the reform and opening of the financial system. These measures will allow the government to progressively reduce the imbalance in its fiscal accounts and overcome inflationary expectations, which have adversely affected interest rates, exchange rate stability, and public purchasing power.

President Proposes Adjustments to 1994 Budget

PA2009211193 Caracas EL DIARIO DE CARACAS in Spanish 17 Sep p 21

[Report by Romero Lopez and Armando J. Pernia]

[Text] President Ramon J. Velasquez said on the night of 16 September that the 1994 national budget must be adjusted because as it stands now it is not realistic.

At the Defense Ministry, where he inaugurated the 23d Higher Course offered by the National Defense Institute of Higher Studies, Velasquez said that at present, estimated revenues have not materialized and "problems are being resolved through allocations, which only create social conflicts and demands for wage increases (...)." Velasquez warned that the next government will have a difficult task, amid a very dramatic situation, due to the many problems that have been accummulating.

Among those problems, he mentioned the "high" fiscal deficit, caused by rigid and unproductive expenses, the drop in oil revenues, the "profound deterioration of the government structures, its professional cadres, and its internal control system, and consequently, its operational efficiency." High inflation causes "a lack of confidence, interferes with market signals, and makes the modernization process difficult and increases its social cost," he added. In that regard, Velasquez said that fiscal adjustments are inevitable, cannot be postponed, and should be carried out through a more efficient and effective administration and by obtaining more revenues through domestic taxes. "Venezuelan citizens must contribute by paying state expenses and becoming the real overseers of those funds." Within that framework, he noted that taxes are only the first phase of the great reform Venezuela needs.

He asked all sectors to show the same responsibility they demand from the government, and committed himself to leading the country toward the upcoming elections, noting that this is one of Venezuela's main goals in the 20th century.

President Velasquez stressed changes regarding civic awareness and public morals. Without mentioning former President Carlos Andres Perez, he referred to the consequences of poor public administration, which has led the country to judge government officials regardless of their status or position. He noted the media's role as guarantor of that morality and overseer of the conduct observed by public employees, stressing that the power of criticism and protest should be maintained.

Within the framework of the topic "Venezuela's Political Process 1900-1936," Velasquez reviewed the country's relevant historical events during that period, stressing the evolution and participation of the National Armed Forces.

Council of Ministers Approves Value-Added Tax

PA1909043493 Caracas Venezolana de Television Network in Spanish 2350 GMT 16 Sep 93

[From "The News" newscast]

[Text] Despite the doubts and questions surrounding the value-added tax [VAT] issue, Treasury Minister Carlos

Rafael Silva has announced that the Council of Ministers approved the tax with no modifications. As previously described, the VAT will be approximately 10 percent and will be applied to wholesale and imported goods during the first phase, which ends on 31 December 1993. According to Treasury Ministry calculations, the tax could contribute over 10 billion bolivars per month to the country's coffers. Although the law allows very few exemptions, its inflationary effect is expected to be less than 4 percent, because low-income families invest 70 percent of their budget in transportation and food, two items that were included on the list of exemptions.

[Begin Silva recording] We must keep in mind that the objective behind this tax reform effort is quite obvious; that is, to resolve the fiscal deficit. As long as it persists, all Venezuelans will continue to be hurt by the inflation rate, which, as we all know, constitutes a sort of tax in disguise. [end recording]

End consumers will not feel the effects of the tax until January 94. Until that time, importers will include the tax on the import invoice.

Velasquez Inaugurates Territorial Council

PA1709155793 Caracas Venezonala de Television Network in Spanish 2350 GMT 13 Sep 93

[From "The News" newscast]

[Text] The Executive Branch has not yet established the amount of money to be allocated to regional governments beginning in October, when the value-added tax goes into effect. The Government Territorial Council [Consejo Territorial de Gobierno] has set up two commissions to plan this process.

[Reporter Aneris Gonzalez] The first meeting of the Government Territorial Council was held today at Miraflores Palace. The council was created to develop cooperation and coordination between the Executive Branch and the state governors. The goal is to define strategies in the process of decentralization, linking each sector with the central authority. President Ramon J. Velasquez heads the council. During its inauguration he noted that these exchanges are important in obtaining detailed information on the needs of every region and to find immediate solutions by transferring resources and reorganizing public administration.

[Begin recording] [Velasquez] The urgent reform of the Constitution, which should be one of the objectives of the new government in 1994, must incorporate this process of decentralization. This process must be incorporated there in its full scope. We wanted to do that in a foiled attempt to amend the Constitution in 1992. This must be part of the major changes to the Constitution. We must incorporate this situation in its full scope.

[Carabobo State Governor Enrique Salas, Governors' Association president] The prudent thing would be for every level of government—the municipal, regional, and national levels—to face their own responsibilities. That way, national authority will regain the majesty and legitimacy we all want and which is required. In addition, the national authority must act as a balancing element among the different competing sectors—rather, competing interests—of Venezuelan society.

[Decentralization Minister Allan Brewer Carias] The discussion was frank and open, something that does not occur often among the national government, ministers, and governors. We discussed all aspects, and two commissions were named to submit solutions so that next week we can have specific measures taken by common accord. [end recording]

[Gonzalez] It is worth noting the Government Territorial Council will have a standing consultative commission, made up of the interior affairs and decentralization ministers. They will be in charge of setting the date for the next meeting.

Energy Minister Seeks Changes in OPEC Quota System

PA1709174493 Paris AFP in Spanish 1833 GMT 14 Sep 93

[Text] Caracas, 14 Sep (AFP)—On 14 September, Energy and Mines Minister Alirio Parra announced that Venezuela officially called for profound changes in the administration of quotas assigned to each of the OPEC member countries. "We cannot accept predetermined proposals. We must be realistic about the role of each OPEC member. An increase in quotas, if this is decided, must be shared among the OPEC member countries with the largest production capability [con mayor capacidad cerrada]. In addition, the political support given to each member country should be taken into consideration," Parra said.

Parra stressed that first of all, OPEC must face "the current situation resulting from over-production and over-supply (excessive inventories) in relation to the demand, which has not increased as expected, and therefore has made the prices drop." Parra admitted that prices "are still dropping," fluctuating between $16 and $17 dollars [per barrel] for Brent. "At least, that is what the market's behavior has shown during the past six or eight weeks, as prices have been falling since late June or early July," Parra said. He noted that prices even dropped below $16, which had "serious financial consequences for many member countries."

OPEC will hold a very important meeting on 23 and 24 September. In that regard Parra said "we will have to analyze all these matters very carefully, in view of the persistent weak market." "It is time to review our foundations. Changes are necessary, perhaps profound changes in the quota system; we must go to the roots of the problems," he stressed. According to Parra, OPEC "must come back to reality" and "be realistic about the role played by each member of the organization. We

must take into consideration both the ceiling and the individual production levels."

With regard to production limits, Parra said that although OPEC even advanced the natural demand for the last quarter of the year "a little," there will still be an increase in the overall production of approximately 24.5 million barrels per day. "We will, however, have to take into account the inventories and their use for regular consumption," he said.

He also referred to the "problem with the distribution of oil supplies," [adjudicaciones] stating that "during the next meeting it will be necessary to bring Kuwait back to the quota system. Kuwait must be assigned a quota acceptable to Kuwait and the other member countries. That should be the first priority."

He said OPEC should also be "realistic" with regard to Iraq, noting that "circumstances have changed." He added: "We would like to see Iraq's production gradually returned to the market. If we manage to do that, prices will remain relatively stable, and the negative effects on the market will be less," he stressed.

Parra said that in reviewing the problem of production quotas and seeking equitable solutions, OPEC must forget "current doctrinaire positions based on stances stemming from past resolutions." He stressed that "in a few words," Venezuela wants "a realistic discussion of production limits, Kuwait's return to the quota system, and taking into consideration that the production capacities of several countries have been frozen and should be adjusted or increased."

"A redistribution of oil supplies should encourage compliance and should have the total political support of each government. Without those conditions, there will be no discipline," he stressed. Parra reiterated that a larger volume of production within OPEC will not by itself resolve the revenue and financial problems of its members.

"If we are not producing at full-capacity, an increase of 100,000, 200,000, or 300,000 barrels per day by any country will have little effect in resolving its financial problems, while creating additional problems for the rest of the members," he said.

Defense Minister: Narcoguerrillas Behind Attack

PA1809205893 Caracas Venezolana de Television Network in Spanish 2350 GMT 17 Sep 93

[From the "The News" newscast]

[Text] National Defense Minister Vice Admiral Radames Munoz Leon has reiterated that there are clear signs that Colombian narcoguerrillas are behind the attack against the National Guard post in Apure State, on the border with Colombia.

[Begin Munoz Leon recording, in progress] This officer had been off duty for five days; he was far away from his unit at Puerto Ayacucho. Suddenly, he showed up at the post and he talked with the guards. Inasmuch as he had served in this post, he gained the trust of the guards.

At a given moment, two armed individuals showed up and then he pulled out his gun and threatened the guards. They attacked the post with three small airplanes that arrived carrying approximately eight people, including one woman.

It is believed that some of them were involved in narcotics trafficking. Investigations are underway. They attacked the post and they took all of the weapons. They left the guards tied up and they shouted slogans saying they belonged to the (?200) Bolivarian Movement. [end recording]

NG Sublieutenant, Narcoguerrillas Attack Post

PA1809165193 Caracas EL UNIVERSAL in Spanish 17 Sep 93 p 4-26

[Report by Berenice Gomez Velazquez]

[Text] A National Guard [GN] sublieutenant attacked the GN post in Buena Vista, on the banks of the Meta River, on the afternoon of 15 September. A group of Colombian narcoguerrillas participated in the attack with the officer, according to a Defense Ministry report issued by Pedro Jose Romero Farias, GN general commander division general.

"The sublieutenant had been the post commander, and he arrived in uniform. He overpowered the national guardsmen by taking advantage of the fact that they knew him. He and the Colombians tied up the guards and took their weapons," the general said.

"The sublieutenant is Leon Paulini, who graduated two years ago from the Efofac [Armed Forces of Cooperation Officers Training School]. He was in active service. According to our intelligence organizations, Paulini worked with the narcoguerrillas. They took seven FAL [Fusil Automatique Leger] rifles, one machine gun, two pistols, and several grenades," the general said.

Romero explained that the group arrived at Buena Vista port in three airplanes with Colombian registry; two had twin engines and the third was a single engine airplane. They loaded the weapons and departed for Colombia.

Gen. Romero explained that patrols have been reinforced and are cooperating with Colombian authorities.

"No one was killed or wounded; there were 12 soldiers posted there. The sublieutenant had been posted in Puerto Ayacucho. He was seen there on 13 September, but since then his whereabouts are unknown," Romero Farias concluded.

'Hooded Men' Take Over Student Demonstrations

PA2009003993 Caracas EL NACIONAL in Spanish 17 Sep 93 p D-9

[Article by Alonso Zambrano and Luis Acosta]

[Text] Maracaibo (Special)—Hooded men, who joined a protest against student fare increases, set fire to three trucks and a car on the afternoon of 16 September near the University of Zulia Schools of Sciences, Humanities, and Engineering. The burned vehicles were a privately-owned car and three trucks owned by Oscar Mayer, CADA, and EFE Ice Cream companies.

The hooded men attacked the four vehicles while policemen were trying to break up the demonstration with tear gas. Demonstrators met the police with a hail of stones.

The vehicles seized by the men who infiltrated the demonstration were burnt to ashes. Transportation unions today called for a 12-hour strike throughout Maracaibo State from 0600 until 1800 to protest the seizure and burning of their vehicles.

Demonstrations in Maracay

Maracay (Special)—Carabobo University students, who were demonstrating to commemorate the first anniversary of the death of medical student Luis Landa, caused a huge bottleneck on the regional central freeway (Caracas-Valencia) throughout the morning and afternoon 16 September.

Several hooded men took over the demonstration as if it were theirs, burned tires, and built barricades. They later seized a truck full of frozen chickens, which they left behind after the National Guard appeared on the scene.

The demonstrators said that Jose Gregorio Jauregui, the man who allegedly shot Luis Landa, was transferred to San Cristobal by order of the military court that reviewed the case despite the fact that a civilian court had intervened in the case.

Meanwhile, the street vendors, who were removed from downtown Maracay, announced a march to protest excessive repression by members of the municipal and Aragua State police.